Financial Times, November 18, 1975

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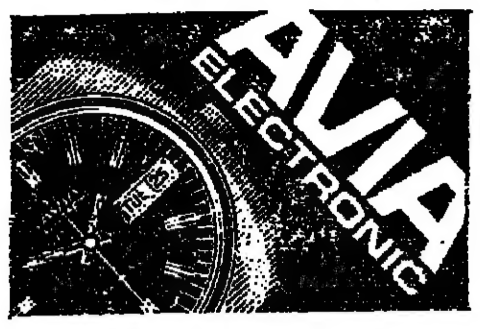


NEWS SUMMARY

GENERAL

QE 2 may be bomb ferry

...nty police and 30 soldiers, ...ed by six dogs trained to ... out explosives, yesterday ...n a deck-by-deck search of ... QE2 for smuggled ...osives.

...e QE2 is at the centre of ...ulation that it has been used ... a clandestine operation to ...y explosives from the U.S. ...Britain for use in terrorist ...cks.

...tectives believe that the ship ... be the link between IRA ...pathisers in New York and ...IRA in Britain.

...though only three of the ...'s 13 decks had been covered last night, Cunard pledged ... the vessel would sail on time ...oon on Thursday for a five-...th series of Caribbean cruises ...en if the hunters have to stay ...oard.

...ats combed

...s the liner was searched ...e teams combed Southamp-...s 19 council-owned tower ...ks of flats for hidden ex-...ives.

...e searches aboard and ...re follow discovery over the ...k-end of 400 lbs of explosives ... storeroom at a council block ...ats.

...eanwhile, Hampshire police ...inued to hold 42 men under ... Prevention of Terrorism Act. ...y of the men are Irish. ...erday, police applied to the ...e Secretary to hold some of ... men for a further five days, ...out the extension they must ...reed within 48 hours of being ... Picture, Page 11

...l rig alert ...trawler wreck

...air-sea alert was ordered ...erday in case wreckage from ... abandoned Belgian trawler, ... Damar, drifted into a cluster ...il rigs off the Humber. Severe ...h-west gales again blew oil ...ts into mid-Channel. First ...y snow of the season blocked ...ral Alpine passes.

...ard to probe ...ain case

... unnamed senior Scotland ...d Detective Chief Superin-...dent has been ordered by the ...ector of Public Prosecutions ... Sir Robert Mark, Metropoli-... Police Commissioner, to ...uire into the case in which ... Peter Hain, President of the ...ng Liberals, is charged with ...ching £490 from a Putney, ...don, branch of Barclays ...k.

...eagan 'to run'

...ald Reagan, former Governor ... California, is expected to ...ounce this week that he will ... as a Republican for the ...sidency. Page 5

...yerere visit

...sident Nyerere of Tanzania ...ves in London to-day at the ...t of a three-day state visit. ...dget Bloom, Page 8

...idnap charges

...e men, who were charged last ...ht with kidnapping 18-year-... Miss Aloi Kaloghirou, are to ...ear in court at Tottenham, ...rth London, to-day.

...riefly . . .

...ree men were in West ...mberland hospital at White-...ven last night, suffering from ...ere burns, after an explosion ... the extrusion bay at High Duty ...oys, Distington near Working-...

...ss Peurto Rico's odds ...rtened from 33-1 to 20-1 last ...ht, but Miss U.K. and Miss ...s. remained joint favourites ... Ladbrokes Miss World list.

...chael Ayrton, the author, artist ...d sculptor—full name Michael ...rton Gould—died in London ...sterday aged 54.

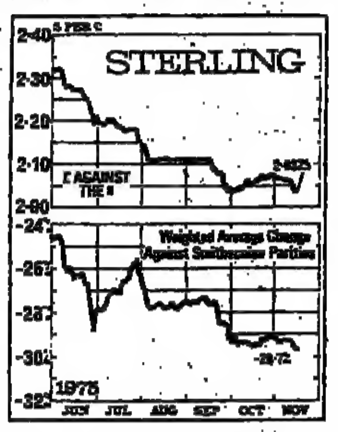
...iss bankers are being asked to ...e details of an account opened ... Lord Lucan before his dis-...pearance a year ago.

BUSINESS

Equities 9.9 up at year's peak

● **EQUITIES** began the new Account with a flourish. The FT 30-share Index closed at the day's best, with a 9.9 rise to 375.5 — the highest this year. GILTS were quiet.

● **STERLING** lost 140 points to $2.0325 as the dollar gained strength from hopes of a solution to New York's crisis.



Against other currencies, the pound remained steady; its weighted depreciation was unchanged at 29.7 per cent. The dollar's fall narrowed to 2.03 (2.34) per cent.

● **GOLD** drifted down $¼ to $141⅜.

● **WALL STREET** closed 2.98 up at 855.66, buoyed by hopes of a New York solution.

● **BRITAIN'S** gross domestic product for the third quarter at 106.0 is only 0.4 per cent. below the previous quarter, which had shown a 2.75 per cent. drop. The October retail sales index is 106, much the same as for the previous four months. Back Page

● **IRAQ CALL** for a special OPEC conference to discuss price cutting by Kuwait threatens a serious dispute within the cartel. Page 8

P.O. orders severely cut

● **POST OFFICE** forecast of 1975-76 orders for telephone exchange equipment is almost as low as the "worst-case" level outlined in September. Back Page

● **NO FURTHER IMPORT** licences will be issued for South Korean acrylic yarn following evidence that substantial quantities were being diverted to the U.K. as a result of recent German restrictions. Page 4

● **BRITISH STEEL** is to double the capacity of its iron ore reduction plants planned for Hunterston. Page 10

LABOUR

● **DOCK LABOUR SCHEME**, if extended as planned by the Government, would create a trade union monopoly with control over food supplies, the CBI warns. Page 13

● **HOME-GROWN FOOD** will cost 1½ per cent. more as a result of yesterday's £6 pay award to farmworkers, the National Farmers Union warned. Back Page

● **WEST GERMAN** steelworkers have settled for a 6 per cent. pay rise. This is the first agreement in the country's current round of negotiations. Page 7

COMPANIES

● **ASSOCIATED BRITISH FOODS** shows an increase in half-year pre-tax profits to £25.6m. (£18.7m.). Page 26

● **HOUSE OF FRASER**, the department store group, reports pre-tax profits of £9.63m. (£9.96m.) for the 39 weeks ended October 25. The 26-week figure was £6.35m. (£8.18m.). Page 26 and Lex

● **METAL BOX** half year pre-tax profits show a decline to £12.01m. (£19.96m.). The directors expect there to be a marked improvement in the second half. Page 27 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treasury 3pc 1979	£81¾	+	¾
Albright and Smithers	198	+	10
... Cement	195	+	7
Beaverbrook "A"	41xd	+	3½
...jam	74xc	+	6½
British Leyland	33	+	6
...nford and Elliott	43	+	5
...I	226xd	+	8½
...dens	30	+	7
Grampian "A"	24	+	5
Guinness Peat	187	+	9
Heath (C. E.)	282	+	17
...I	320	+	7
Imperial Group	81½	+	3½
Lonrho	124	+	9
Lucas Inds.	177xd	+	9
Metal Box	268	+	9
Midland Bank	308	+	10
Plastic Const.	57	+	7
Plessey	77	+	5
Rank Org. "A"	173	+	8
Sainsbury (J.)	145xd	+	8½
Smith Bros.	58	+	5
Stewart Plastics	92	+	19
Tunnel Hldgs. "B"	183	+	8
Unilever	420xd	+	14
Vickers	146xd	+	6
White Child & Beney	47	+	7
Wolverhampton Die...	12	+	4
Berry Wiggins	59xr	+	7
Shell Transport	386	+	8
Charter Cons.	177	+	7
RTZ	185xd	+	6½

FALLS

Bowater	169	—	4
Commercial Union	138½	—	11½
Cons. Murchison	740	—	70
Doornfontein	680	—	65
Durban Deep	260	—	70
Roan Cons.	170	—	30
Thiess Holdings	260	—	20

U.S. and France sign exchange rate pact at summit

BY WILLIAM KEEGAN and ROBERT MAUTHNER, PARIS, Nov. 17

The U.S. and France to-day resolved their immediate differences on floating exchange rates as part of a wider understanding between heads of the six leading non-Communist industrial nations on co-ordinating their economic recovery policies.

The exchange rates agreement, which took the form of a memorandum signed by Mr. William Simon, U.S. Treasury Secretary, and M. Jean-Pierre Fourcade, the French Finance Minister, was *the only concrete* result of the three-day summit meeting at the Chateau de Rambouillet between the Heads of Government of the U.S., Japan, West Germany, France, Italy and the U.K.

After adopting a 15-point declaration of principles to govern their economic policies, however, all the participants stressed that the outcome of the meeting had far exceeded their expectations.

While President Giscard d'Estaing of France spoke of a new "spirit of Rambouillet," President Ford of the U.S., who is known to have had reservations about the summit, described it as "a highly successful meeting in every respect."

Mr. Harold Wilson, Britain's Prime Minister, said before leaving for London: "I go away heartened, both because of the general feeling that the recovery is clearly imminent, and because of the resolve all here showed to work together to achieve expansion at a level consistent with the control of inflation."

In spite of the general show of confidence, the joint declaration boiled down to little more than a willingness to co-operate and an attempt to reassure public opinion that everything possible is being done to combat the current recession. In the words of the final declaration: "We will not allow the recovery to falter. We will not accept another outburst of inflation."

One particular source of satisfaction for Mr. Wilson was that he appeared to have little trouble

EEC call to U.S. on protectionism. Page 3
Picture Back Page
Editorial comment Page 16

from the other Ministers when explaining the U.K.'s policy on import controls.

While subscribing fully to the general commitment to avoid protectionist measures, he stressed that he did not rule out protective measures for particular British industries "suffering or threatened with serious injury as a result of increased imports."

President Ford, for one, talked in the meeting of "particularly acute and unusual circumstances" in which such measures would be tolerated, while President Giscard mentioned that the OECD trade pledge itself—signed by member countries last May—permitted very limited and temporary action to help certain industries in difficulties.

Explaining the monetary agreement, President Giscard said it contained two essential points.

The first was an analysis of the economic and monetary situation which concluded that it was necessary to move towards "more stable structures" and in particular towards reducing "erratic" fluctuations in exchange rates and making them more "viscous."

The memorandum provided for more co-ordinated action by Central Banks he said.

The second point was a definition of what could be the new Article 4 of the statutes of the International Monetary Fund on exchange rates. The text, however, is not being made public until ratified by other members of the IMF—it is hoped by the time that the Fund's interim committee meets in Jamaica in January.

President Giscard said the agreement on more Central Bank intervention was approved by all the Ministers at Rambouillet. When asked whether it contained an undertaking by the U.S. to intervene in markets, he replied: "Yes."

The President said the principal objective was to reduce erratic fluctuations between the dollar and the EEC currency "snake" but left the criteria vague.

The idea of greater Central Bank intervention to keep the dollar fairly close to recent levels is known to be favoured by Mr. Paul Volcker, head of the Federal Reserve Bank of New

Continued on Back Page

New cod war looms as Iceland talks break down

BY WILLIAM DULLFORCE REYKJAVIK, Nov. 17.

BRITAIN AND ICELAND were to-night on the verge of a new "cod war" following the breakdown of the talks on a new fishing agreement.

Mr. Roy Hattersley, the chief British negotiator, warned that British vessels continuing to fish within the old Icelandic 50-mile limit would be given all necessary protection, and several Royal Navy frigates are understood to be on stand-by.

A Ministry of Agriculture spokesman confirmed that three oil rig supply vessels were already sailing towards Iceland as a precautionary measure.

After the breakdown of the talks, Mr. Hattersley said Britain was ready for a resumption "if there is any prospect of progress being made," but the next move would have to come from Iceland. He returned to London carrying a message from Mr. Geir Hallgrimson, the Icelandic Prime Minister, for Mr. Wilson.

The Icelandic foreign minister, Mr. Einar Agustsson, said "I will not talk of a cod war, but there is now no alternative to intervention against British trawlers by our coastguard."

The coastguard would be used to the limit of its capacity to guard Iceland's unilaterally declared 200-mile limit, Mr. Agustsson said.

Mr. Hattersley broke off the talks when it became clear that the Icelandic side would not respond to his offer yesterday to reduce the ceiling for the British catch from 130,000 tons to 110,000 tons a year. His position was that the 20,000-ton reduction more than matched the 15,000-ton rise to 65,000 tons offered by Iceland, an offer which had been originally made when British fishery experts visited Reykjavik two weeks ago and was not therefore tabled yesterday.

Mr. Hattersley said his offer had been "an initial opening bid," that he had been prepared to be flexible, but had been surprised by the Icelanders' failure to move from the position they had established before this round of talks. He had also agreed that the figure for the catch should be a fixed ceiling, not an indicative total, and that Britain would enforce a minimum mesh size of 135mm. for trawl nets in line with the legislation Iceland intended to introduce next summer as a conservation measure.

Government sources say it is politically impossible for Iceland to raise its offer far above 65,000 tons, and that disclosure of even this figure can be expected to set off a storm of protest from fishermen, unions and opposition. They claim rather bitterly that Britain has failed to see that the decline of the fish stocks undermines the whole Icelandic national livelihood.

The Icelandic Foreign Minister leaves to-morrow for Bonn where he hopes to conclude a new fishery agreement with the West Germans, and it was suggested in political circles here that Iceland might refrain from coastguard action until the outcome of the Bonn negotiations is known.

Richard Mooney writes: Though the British catch in Icelandic waters has declined sharply in recent years, it continues to be a very important sector of the U.K. fishing industry. Up to the end of August this year, the English catch of Icelandic demersal (bottom feeding) fish for human consumption represented 22.8 per cent. of the total from all waters. In the same period of 1974, the proportion was 25.8 per cent. and in 1972 it was 34.1 per cent.

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£ in New York

—	Nov. 17	Previous
Spot	$2.0325-0350	$2.0455-0465
1 month	0.92-0.86 dis	0.98-0.95 dis
3 months	2.39-2.31 dis	2.49-2.44 dis
12 months	7.75-7.46 dis	7.98-7.53 dis

Commercial Union loses £0.7m. before tax in third quarter

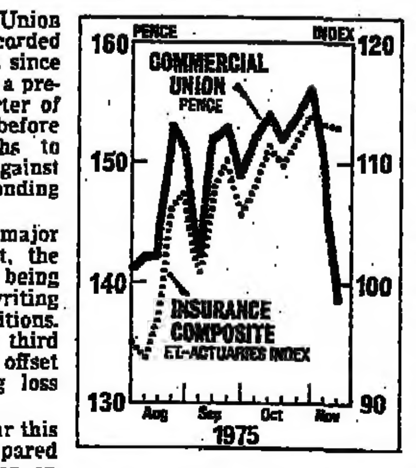
BY ERIC SHORT

THE COMMERCIAL Union Assurance yesterday recorded the worst quarterly figures since the 1960s when it reported a pre-tax loss for the third quarter of £0.7m. This cut the profit before tax for the nine months to September 30 to £13.7m. against £33.1m. for the corresponding period last year.

A pre-tax loss by a major composite is a rare event, the investment income usually being sufficient to offset underwriting losses under adverse conditions. But CU's income for the third quarter was insufficient to offset an increased underwriting loss of £21.4m.

Underwriting losses so far this year total £46.7m., compared with £11.1m. last year. Even an improvement of £19.5m. in investment income to £74.7m., of which over £4m. has come from the rights issue money, has failed to stop the decline in pre-tax profits.

Mr. Gordon Dunlop, the chief executive of the company, held out little hope of a significant improvement for the fourth quarter. This would mean that last year's dividend would most likely be uncovered, but he said that the dividend would most probably be maintained.



The market was expecting better things from CU after a surprisingly poor second quarter. Its reaction to these poor third quarter results was to lower the share price of CU by 11½p to 138½p.

However, CU's experience is not regarded as typical of the industry. Share prices of other composites were higher on the day, although below their best.

National Westminster Bank has no present intention of disposing of its stake of 16.3m. shares (5.3 per cent.) in Commercial Union, a spokesman for the bank said yesterday, commenting on a week-end Press suggestion.

Referring to the scale of losses, Mr. Gordon Dunlop said that CU had sought business on a world-wide basis.

This policy he considered to be a sound one normally, but from time to time it threw up weaknesses. The company was going through such a period.

The problem area for the company is still the U.S. A third quarter loss of $21m. has brought the total underwriting deficit this year to $U.S.62m.

The general liability and the automobile insurance business are still causing severe losses. Mr. Dunlop said that remedial action had already been put in hand, but this always took some time to work through to the profit and loss account.

Applications had been made to the various insurance authorities to raise premium rates and some had already been granted. But some States, such as Massachusetts, were reluctant to come to a decision on the 1976 rate increase application.

Details Page 27; Lex Back Page

Riccardo in new Whitehall talks

BY TERRY DODSWORTH

MR. JOHN RICCARDO, the Chrysler Corporation chairman, arived in London amid tight security yesterday to resume his talks with the Government on the future of the group's troubled British subsidiary.

But after a one-hour session between Mr. Riccardo and senior Ministers, the talks broke up, with the Government showing no signs of being in a position to make an immediate declaration of its intentions.

The statement which the Prime Minister promised to the House of Commons as soon as "practicable" is unlikely before the end of this week, and may not be made until next.

Speaking at the end of the Paris Summit meeting, Mr. Wilson also revealed that he had discussed the problems of Chrysler's loss making British subsidiary with President Ford. But "I stressed it was not a U.S. Government responsibility and I did not ask for U.S. Government help," he added.

In the meantime, the signs are that the Government and Chrysler are going into a hard bargaining session.

At the talks yesterday were Mr. Eric Varley, Secretary of State for Industry; Mr. Willie Ross, Secretary of State for Scotland; and Mr. Edmund Dell, Paymaster General. None of these three, nor Mr Riccardo, will be at the next session which begins to-day.

Instead, officials have been brought in, presumably with the intention of looking at the mechanics of bridging the gap between the large cash injection—believed to be more than £100m. — which Chrysler has said is 'necessary to maintain the present business — and the more limited form of aid which the Government might be prepared to give.

In his talks with the Government 10 days ago, Mr. Riccardo is believed to *have* talked of Chrysler U.K. expecting losses for the next four years, and a total deficit for this year —after a first-half loss of £16m.—of about £40m. Any rescue plan would involve considerable redundancies.

After the opening of Parliament to-morrow, the Government will be under considerable pressure from MPs to make an announcement clarifying its attitude toward Chrysler, and probably to hold a debate on the motor industry.

In Spain, a gas explosion at the Chrysler assembly plant South of Madrid killed three workers and wounded six. The company ruled out sabotage at the plant, which employs 10,000 workers.

Official ban by doctors next week

BY CHRISTIAN TYLER, LABOUR STAFF

LEADERS OF Britain's junior hospital doctors last night called for official national industrial action in the hospitals starting next week.

Their decision is *the most* serious formal challenge to the Government's pay policy since it was introduced in July, as well, as posing probably the greatest threat to the running of the hospitals since the present round of doctor-Government disputes began nearly two years ago.

All junior doctors are to be *instructed to work no more than* 40 hours a week, but to arrange their hours so as to cover emergencies. The action is to start from Thursday week. If followed to the letter, it would effectively cut by half the amount of time they spend with their patients and would greatly extend their unofficial sanctions already being imposed by an estimated 8,000 doctors in 300

The decision came last night, *many* hours after the result of a national secret ballot which showed that half the 15,000 full-time practising junior doctors were ready to sustain industrial action until the Government reconsidered its interpretation of the pay policy and gave them more monye for overtime work.

From the Government's side, no doubt was left yesterday that this would be a fight to the finish. After hearing the ballot result, but before learning the decision Mrs. Barbara Castle, Social Services Secretary, said action by those who had voted for it would have "desperate consequences for the patient."

But she added, in a statement from her Department, that the Government could not put the whole pay policy in jeopardy. "To do so would have graver consequences for the NHS than even the gravest action by junior doctors." Recalling the words of Mr. Michael Foot, the Employment Secretary at the week-end, she said that if the war against inflation was lost, the outlook for the NHS would be "bleak indeed."

Meanwhile the Government received a blow from another quarter yesterday when the militant Hospital Consultants and Specialists Association called on all consultants to walk out for a day next Tuesday, unless the Government dropped its plans to remove private practice from the NHS. The HCSA claims to represent 5,000 of the 10,000 consultants in the country.

Action by the junior doctors is subject to endorsement by the British Medical Association Council which meets to-morrow week. By then, the consultants' campaign against the loss of private practice in the NHS and controls over the private sector is expected to be in full flood. Legislation on this issue is expected to be announced in the Queen's Speech to Parliament to-morrow.

Yesterday the junior doctors leaders continued to stress that a solution to their overtime dispute could be found without breaching the pay policy if the figures of available money—said by the Government to be £12m. —were properly investigated.

But Mrs. Castle's statement left no doubt that the Government has gone as far as it is prepared to go in its interpretation of the guidelines, and that any change now would be seen as conceding defeat to the doctors. This in turn, the Government fears, could open the floodgates for other workers—not least the miners—now preparing for their annual wage negotiations around the £6 a week maximum rirse allowed by the policy.

Much depends on how many doctors adopt the sanctions outlined and for how long.

Patients still come first, Page 31

FEATURES

For latest Share Index 'phone 01-246 8026

LOMBARD

Recycling—the problem remains

BY C. GORDON TETHER

IT WOULD be wrong to interpret the fact that we are now hearing so much less about the oil surplus recycling problem to mean that it has gone away of its own accord. The explanation is that it has undergone a change of form that has rendered it much less of a bugbear to the affluent world in which we live.

In global terms it actually seems to be in process of assuming a much more troublesome character than it had earlier on. For it is now the least credit-worthy countries who most need to get their hands on the oil-producers, surplus funds. And, at the moment, it is far from easy to see how they are going to do so on anything like an adequate scale.

When the oil prices explosion first occurred, it was the advanced countries who were landed with the great bulk of the "deficit counterpart" of the $50bn. or so surplus instantly created in the external payments of the oil-producing states. And the recycling problem therefore consisted to a large extent in mobilising this money on a continuing basis.

New patterns

At first there was no great difficulty about this. But, after a while, there was—inevitably perhaps—a tendency for the lenders to adopt a much more choosey attitude. In particular, they began to manifest a lack of enthusiasm for channelling their money to advanced countries whose payments prospects *were felt to be somewhat un-*promising.

And the effect of the injection of this new factor into the picture was compounded by structural strains imposed on the banks heavily involved in the recycling traffic. They arose mainly from the fact that, while the lenders were most interested in short-term operations, the borrowers—taking the view that it might be some considerable time before they came into a position to repay such loans—had a marked preference for medium-term arrangements.

However, just when these difficulties were beginning to cause serious concern, world payments patterns started changing in a way that was calculated to make the advanced countries less and less dependent on getting the oil producers' surpluses channelled in their direction.

There are, of course, a few that still stand in need of substantial sums of outside money to cover their oil deficits and no longer find it easy to persuade the oil-producers to fill the bill.

But, for the advanced countries as a whole, oil deficits have become a thing of the past. And there is accordingly no longer any need for them to be heavily involved in the oil surpluses recycling business on their own account.

Unfortunately, what is true of the affluent world in this matter is not true of the world as a whole. The oil countries' surplus has, of course, come back quite a way from the levels at which it was running in 1974—thanks in part to the drop in demand caused by the world *recession and economy drives* and in part to their own increased thirst for imports. But it is still quite formidable. And the fact that the affluent states have largely disposed of their portion of it necessarily implies that the bulk of it is now resting on other shoulders.

For the worse

That means, broadly speaking, those of less weighty advanced countries and developing countries. And, since it is in the nature of things that many of the states in these groups do not enjoy a very high credit standing in international capital markets, it is no exaggeration to say that the recycling problem has, in the basic sense, taken a marked turn for the worse.

It is important to understand this and no less important to recognise that it means that recycling remains a serious worry for the advanced countries

"International Currency *Review" points up the reality* of the matter when it says in the concluding paragraph of an article on the developing countries' finances that while the severe difficulties facing such countries are fairly well appreciated, what is not so clearly understood is "that these countries cannot conveniently be placed in 'quarantine' while OPEC States sit on their monstrous surpluses and the industrialised world continues, by devious means, to maintain equilibrium."

Efforts are, of course, being made to step up the amount of oil money becoming available for covering the poor countries' payments gaps—not least by the oil-producing countries themselves. But it is abundantly clear that such moves are destined to fall far short of what is required—what is required, that is, to prevent the emergence of a situation wherein the poor countries will have no alternative but to slash their imports from the advanced world in savage fashion.

RACING — BY DOMINIC WIGAN

Morley relies on Julian Swift

DAVID MORLEY, who has done so well with a small, principally National Hunt, string, since setting up stable near Bury St. Edmunds, has a fine record at Leicester and he may have another profitable afternoon there to-day.

In the principal hurdle event of the afternoon, the Waltham Handicap (3.00) Morley relies on *Julian Swift*, and after his encouraging first run of the season in Plumpton's Aquascutum Handicap three weeks ago, I shall not look beyond this improving five-year-old who goes in preference to his stablemate, Dalwhinnie.

Somewhat slowly into his stride at Plumpton, Julian Swift made significant late headway to finish a close fourth of 18 behind El Cardo. With that outing under his belt, the lightly weighted Julian Swift will be difficult to contain. I hope to see him gain a well-deserved success at the main expense of Archetto.

In addition, Morley and Bob Davies, his stable jockey, have two other possible winners in *Mezzofanti* and Havanus, who respectively go for Div. I and Div. II of the Beginners Hurdle (1.0 and 3.0). The first-named seems likely to retain his unbeaten record provided there is no smart newcomer in opposition. But I doubt if the previously unraced Havanus will prove up to dealing with another newcomer to hurdles, the well-thought of Screecher.

Jack Hardy, who trains Archetto, saddles that fine chaser, *Glanford Brigg*, for the Measham Handicap (2.0) rather than for a similar event run 75 minutes later at Teesside, and he should have no cause to regret the *decision*. Glanford Brigg, a bold jumping front runner, is a reasonably confident choice to deal with his sole opponents, Bentley Boy and Jolly's Clump, to both of whom he has to concede a good deal of weight.

Turning to Devon and Exeter, where The Racegoers Club Concession Day programme is scheduled to begin at 12.45 with an open-looking Division of the Cowley Novices Hurdle, the principal event on the card is the Talaton Hurdle an hour later. Here I expect the victor to be either Lintam or Winger Dagger. The former is a useful performer on his day but even if he runs up to his best form I believe the concession of 16 lb to Winged Dagger, who bids for his third success over this course and distance, will prove beyond him.

SELECTIONS

LEICESTER
1.00—Mezzofanti
1.30—Glenland
2.00—Glanford Brigg***
2.30—Napoleon
3.00—Julian Swift**
3.30—Screecher

DEVON & EXETER
12.45—Eastern Light
1.15—Clifton Fair
1.45—Winged Dagger*

TEESSIDE
1.45—Fidler on the Hoof
2.15—Marcus Lady
3.15—Lord of the Hills
3.45—Nest Egg

FT CLIPPER RACE

Yacht ends silence

FINANCIAL TIMES REPORTER

AFTER 18 days radio silence the 61 foot schooner, CS & RB II, Italy's entry in the Financial Times round-the-world clipper race reported her position yesterday as 51° south, 110° east. She is about 1,000 miles south of the south western tip of Australia and 2,000 miles from Sydney where she is expected to arrive in two weeks time.

The 56 foot Dutch ketch The Great Escape is some 2,000 miles behind. At noon on Saturday she gave her position as 44° 12' south, 74° 28' east. She was again in the middle of a gale and communication was difficult.

SALEROOM — BY ANTONY THORNCROFT

Botanical books draw buyers

DR. ARPAD PLESCH, a Hungarian who died last year, collected probably the finest ever library of botanical books. It is now being sold through Sotheby's and fetching high prices. The first sessions in June brought in £205,102, and yesterday another 157 lots were up for auction and totalled £102,634, with just one item unsold. There is another sale to-day

The highest price yesterday was the £9,500 from Quarritch (just above the top estimate) for Humboldt's famous *Voyage aux Regions Equioctiales du Nouveau Continent*, published in fifteen volumes between 1799-1804, and containing illustrations of the plants he discovered in the Americas. The volumes had once belonged to Francis I, Emperor of Austria.

Quarritch *also secured, for* £8,000 (well above forecast) Knorr's *Thesaurus Rei Herbariae*, printed in Nuremberg in 1750-72, with 301 hand-coloured plates. The same price (and almost double the estimate) was paid for *L'Heritier de Brutelle Cornus*, containing plates coloured by Redouté. Other good prices were the £7,200 (estimate £3,000-£5,000) for John Hill's *The Vegetable System*, 26 volumes from the late 18th century, £6,000 for Jacquin's *Fragmenta Botanica*, with 138 hand-coloured plates, and £5,000 for Jacquin's *Hortus Botanicus Vindobonensis*.

A sale of miniatures and objects of vertu at Sotheby's made £45,042. The best Continental pieces did well but there was selective buying for British miniatures. Still, a miniature of Agnes Mary Cockburn, aged six, by John Smart went for £4,200 *to a German buyer, above fore*cast and the second highest auction price for a Smart miniature, and a gold and enamel snuff box by Pierre-André Barbier was above target at £2,500. A miniature of a lady by Isaac Oliver, of around 1593, was bought for £2,000.

Christie's held a routine sale of English pottery and porcelain making £27,978. Prices remain firm in this market, and prices were generally above forecast. Last week's Geneva sales organised by Christie's totalled £5,224,356, with a comfortable three-quarters of the lots sold.

At Bonhams in the first week of December Sir Walter Raleigh's sea chest will be on offer. It is 2 feet 2½ inches wide, and is believed to have been made from cedarwood brought back from his expeditions. In one drawer is an unpublished Raleigh poem. The *chest is being sold by the* novelist Phyllis Hastings.

WINE

Classed-growth prices

BY EDMUND PENNING-ROWSELL

ONE HIGHLY unusual result of the crisis in Bordeaux's affairs was the failure of nearly all the châteaux to offer their '74 wines *en primeur*. Normally the classed-growths and superior *crus bourgeois* start offering their new wine from about the end of November, and by the end of January nearly all prices bar the first-growths are known. Then if the first "tranche" sales have been successful, a second follows in March or April at rather higher price.

The first-growths play a waiting game to see how long their peers and rivals can refrain from showing their hand. In the past Lafite and Mouton-Rothschild have been the last *to put a price on their wines*; perhaps as late as May or June, about the latest time when the Bordeaux merchants can be expected to take an interest in buying and quickly re-offering them before closing down for the Quatorze Juillet and departing for their villas on the Bassin d'Arcachon.

Falling prices

This year, however, things were different, with their cellars still filled with largely unsold '73s, not to mention '72s. Prices were tumbling and the '73 opening prices of Frs.23,000-28,000 per *tonneau* (=96 doz. bottles) for the "seconds" were already looking absurd a year ago. Suggestions of a price of Frs.14,000 for the '74 seconds were canvassed, but there appear to have been few takers.

Curiously, it was some of the usually tardy first-growths that eventually offered their '74 wine at prices between Frs.25,000 and Frs.35,000. Latour, which waited until the middle of this year's vintage, actually sold 120 *tonneaux* at Frs.25,000. Taking this roughly as Frs.25 a bottle, and on the assumption that we arrive back at a 10-franc-to-the-pound level, this would mean an opening retail price here of around £5 a bottle; not an excessive price in depreciated pounds to pay for a first-growth of a reasonably good though not exceptional vintage. Mouton-Rothschild was a little higher at Frs.30,000 and Pétrus at Frs.35,000.

This naturally leads to the question as to what kind of price may be expected for the '75s, clarets certainly superior to the '74s, but entering a market still choked with older vintages. Indeed it will be far better for the proprietors if they hold off until it is much clearer. However, when in Bordeaux I inquired of growers and merchants as to what might be fair prices for the various classes.

For the firsts the general view was a price bracket of Frs.30,000-Frs.40,000, but one *premier cru* said that at the lower figure they would be selling at a loss. It is difficult, incidentally, to establish any standard of cost per hectare of an important château, for it all depends on what goes into the accountant's blend: but one first growth recently stated that its cost was Frs.15,000-20,000, whereas for growths less obliged to keep open house, buy new casks every year and spend money on publicity, the figures might be nearer Frs.10,000-12,000. The crop this year is unlikely to yield much more than three *tonneaux* per ha.

Credit terms

For the other classed-growths estimates of Frs.12,000-18,000 were given for the '75 seconds (which include such popular "thirds" as Palmer), and Frs.10,000-15,000 for the lower classes. The bourgeois growth bracket was inevitably wide: from Frs.4,000-9,000.

In examining these prices it is almost being "beastly to Bordeaux" to recall that the first-growths went for a peak of Frs.120,000 for their '71s, and the other classed-growths and superior bourgeois estates averaged around Frs.35,000 and Frs.20,000 respectively for their unremarkable '72s. Of course, price is not the only determinant just now; the terms of credit are scarcely less important, and they are much more generous than they were, with final payments delayed until the wine is bottled.

What is certain is that the ridiculously wide gap in price between the first growths and even the seconds will be narrowed sharply in future. There was a time when there was a recognised scale of steps among the classed growths, descending one-eighth per class. So if the firsts sold at Frs.2,400, the seconds fetched Frs.2,100, and the fifths cost half the firsts. Such a pattern is unlikely to be re-established, but the recent times when the firsts were four or five times the price of the seconds have surely gone for ever; or one hopes so for the sake of all concerned, including us consumers.

Yet a question hanging over the classed-growths, particularly the firsts, is who is going to buy them in future? Before the last world war Britain was the chief customer for the latter and for some of the better-known others: the French probably consumed most of the rest. Within the last 15 years or so the Americans increasingly have taken over the ever-more-expensive firsts and larger and larger slices of the others.

Accurate figures are una[...] able as the châteaux ha[...] knowledge of the ul[...] destinations of wines sold [...] Bordeaux trade. Concernin[...] first-growths I have heard [...] mates as high as 80 per [...] crossing the Atlantic, [...] nearer 60 per cent. The [...] ment-in-wine boom upset [...] culations, for many [...] speculators then bought [...] with no intention of drink[...] However, when the firsts [...] in price above the othe[...] seemed unlikely that more [...] 10-15 per cent. were boug[...] actual consumption here. [...] much higher proportion [...] other classed-growths mus[...] continued to come here.

A glance at the [...] Bordeaux export figures [...] how little wine from such [...] ing communes as Pauilla[...] Julien and Margaux sta[...] France. In 1973-74 the d[...] market took only 350[...] Pauillac out of nearly 1[...] despatched from Bordeau[...] the U.K. and U.S.A. were r[...] sible for 13,500hl.

Once existing surplus[...] are dispelled and the Ame[...] in particular have got ove[...] shocked sales-resistance t[...] Bordeaux, price must b[...] determining factor in the [...] of the classed-growths. [...] to economic recovery [...] demand should remain [...] limited, and will reflect [...] consumption requirements.

On the other hand, [...] U.S. there has been [...] more buying by prestige [...] and this appears now larg[...] have stopped, but if it [...] resumed considerably whe[...] Bordeaux's top wines go[...] hopes, so widely shared [...] years ago, of a new mar[...] Japan have been dashed; [...] last two years it has sl[...] from fourth to twelfth [...] among Bordeaux's custome[...]

Château-bottling

Maybe, as happened [...] champagne in the thirties [...] exports fell heavily, the F[...] will drink more leading c[...] themselves. Britain cann[...] expected to resume her ol[...] as principal buyers of the [...] growths; and whatever [...] claims of authenticity, the [...] sion of the classed-growt[...] the boom year of 1972 to [...] on compulsory château-bo[...] is not an encouragement; [...] time when costs count, t[...] British trade well equipp[...] bottle. Bottling here is less [...] half the cost it is in Bord[...] and of course bulk freig[...] much cheaper. So even [...] Bordeaux recovers its e[...] brium it may face pro[...] affecting the wines which [...] made it world-famous.

TV Radio

† Indicates programme in black and white.

BBC 1

9.38 a.m. For Schools, Colleges. 12.30 p.m. Bilidowcar. 12.55 News. 1.00 Pebble Mill. 1.45 Barnaby. 2.02 For Schools, Colleges. 3.58 Regional News (except London). 4.00 Play School. 4.25 Deputy Dawg. 4.30 Jackanory. 4.45 Animal Magic. 5.05 John Craven's Newsround. 5.15 Emu's Broadcasting Company. 5.40 Magic Roundabout.
5.45 News.
6.00 Nationwide.
†6.50 "Tarzan and the She-Devil," starring Lex Barker.
8.05 Oil Strike North.
9.00 News.
9.25 Play For To-day.
10.15 To-night.
10.50 Milestones in Working-class History.
11.15 Regional News.

All regions as BBC 1 except at the following times:

Wales — 2.40-3.00 p.m. For Schools in Wales. 6.00-6.50 Wales To-day. 6.50-7.15 Heddiw. 7.15-7.40 Ar Saffari. 7.40-8.05 Soccer. 10.50-11.15 Dewch I Siarad. 11.15 News and Weather for Wales.

Scotland—6.00-6.50 p.m. Reporting Scotland. 10.50-11.15 Guidance and Counselling. 11.15 Scottish News Summary.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.50 Scene Around Six. 11.15 Northern Ireland News Headlines.

England—6.00-6.50 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth).

BBC 2

11.00 a.m. Play School.
3.00 p.m. Parents and Children.
3.30 Images for Sale.
6.40 Ensemble.
7.20 Weather.
7.20 Newsday.
7.50 The Book Programme.
8.15 Floodlit Rugby League for the BBC-2 Trophy.
9.00 The Musical Time Machine.
9.45 Pro-Celebrity Golf.
10.35 The Old Grey Whistle Test.
11.15 Newsnight.
11.30 Closedown: Hugh Burden reads "My Many-coated Man," by Laurie Lee.

LONDON

9.30 a.m. Schools Programmes. 12.00 Paperplay. 12.10 p.m. Rainbow. 12.30 Regional Flavour. 1.00 First Report: News, plus FT index. 1.20 Lunchtime To-day. 1.30 Emmerdale Farm. 2.00 Good Afternoon. 2.30 Couples. 3.00 A Raging Calm. 3.55 General Hospital. 4.25 Look Alive. 4.50 Magpie. 5.20 The Ghost and Mrs. Muir.
5.50 News.
6.00 To-day.
6.35 Crossroads.
7.00 Tuesday Star Movie "The Biggest Bundle of Them All," starring Raquel Welch, Robert Wagner and Edward G. Robinson.
9.00 The Nearly Man.
10.00 News.
10.30 The right to live—the right to die.
11.40 His Face Is Familiar—What's He Done?
12.10 a.m. Words of Wisdom.

All ITV regions as London except at the following times:

ANGLIA

1.25 p.m. Anglia News. 2.00 Let's Face It. 5.20 Wait Till Your Father Gets Home. 6.00 About Anglia. 7.00 Cartoon Time. 7.15 The Tuesday Movie. 11.40 Reflection.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 5.20 Around the World in 80 Days. 6.00 ATV Today including Police Five. 7.00 Cartoon Time. †7.10 The Tuesday Movie: "Fate is the Hunter," starring Glenn Ford, Rod Taylor and Nancy Kwan. 11.40 A Present From the Past. 12.10 a.m. Father Paschal.

BORDER

†1.20 p.m. Border News. 2.00 Houseparty. 5.20 The Beachcombers. 6.00 Border News and Lookaround. 7.00 Betty Boop. 7.15 TV Movie: "The Resurrection of Zachary Wheeler," starring Angie Dickinson. †12.00 Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 5.20 Wait Till Your Father Gets Home. 6.00 Report at Six. 7.00 Curtain Raiser. 7.10 TV Movie. 11.40 Commentaires et Previsions Meteorologiques.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 2.00 House Party. 5.20 Wait Till Your Father Gets Home. 6.00 Grampian Today. 6.10 The Brady Bunch. 7.00 Cartoon Time. 7.15 The Tuesday Film: "Too Many Thieves," starring Peter Falk and Britt Ekland. 11.40 Ski-ing with Gina. 12.10 a.m. Evening Prayers.

GRANADA

1.20 p.m. This is Your Right. 5.15 What On Earth. 5.20 Crossroads. 6.00 Granada Reports. 6.35 University Challenge. 7.00 The Tuesday Film: "Four For Texas," starring Frank Sinatra and Dean Martin. 12.10 a.m. Dirty Sally.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 5.20 Help! 5.25 Crossroads. 6.01 Report West. 6.20 Report Wales. 6.40 Survival. 7.10 The Tuesday Film: "Hot Enough for June," starring Dirk Bogarde. 11.40 Arts Bazaar.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.25-4.50 Fyny Fan'na. 6.01-6.20 Y Dydd. 6.40-7.10 Sale of the Century. 10.30-11.30 Dan Sylw. 11.30-11.60 O'r Wasg. 11.40-12.10 World in Action.

HTV West—As HTV General Service except 1.20-1.30 p.m. Report West Headlines. 6.20-6.40 Report West.

SCOTTISH

1.20 p.m. Road and Weather Report. 2.00 Housecall. 5.20 Babar. 5.25 Crossroads. 6.00 Scotland Today. 6.30 Nature in Retreat. 7.00 Love American Style. †7.10 The Tuesday Movie: "Fate is the Hunter," starring Glenn Ford. 11.40 Late Call.

SOUTHERN

1.20 p.m. Southern News. 2.00 Houseparty. 5.20 Sinbad Junior. 5.25 Crossroads. 6.00 Day by Day. 6.45 University Challenge. †7.15 The Tuesday Film: "Seven Thunders" starring Stephen Boyd and Tony Wright. 11.40 Firehouse. 12.05 a.m. Southern News Extra.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. Lunchtime News and Lookaround. 1.30 Love American Style. 5.20 Emmerdale Farm. 6.00 Today at Six. 6.35 Crossroads. 7.00 Cartoon Time and Betty Boop. 7.15 "Do Not Disturb," starring Doris Day and Rod Taylor. 11.40 The Greatest Fights of the Century (Moore v. Maxim). 11.50 Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 2.00 House Party. 4.23 Ulster News Headlines. 5.20 The Protectors. 6.00 UTV Reports. 7.00 The Ghost and Mrs. Muir—Dog Gone. 7.30 Tuesday Movie: "Armoured Command," starring Howard Keel.

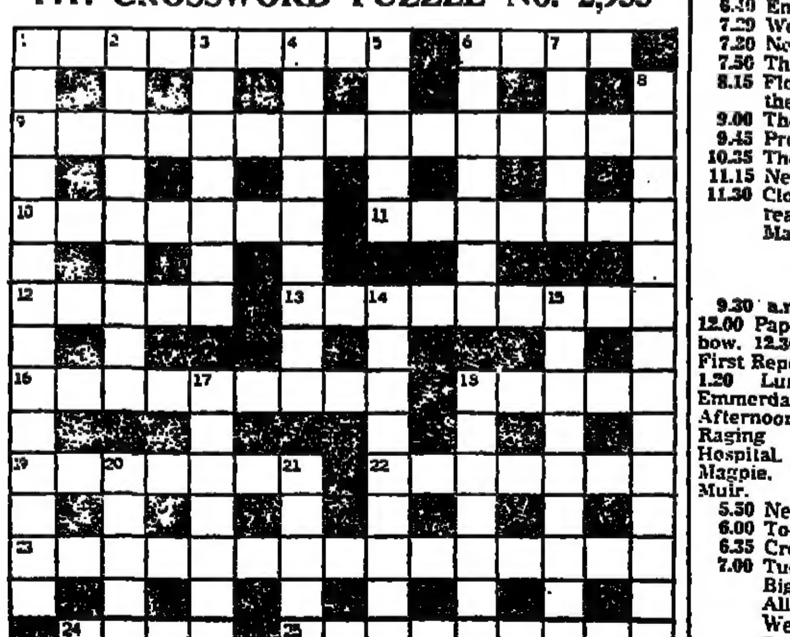
WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.20 Wait Till Your Father Gets Home. 6.00 Westward Diary. 7.00 Curtain Raiser. 7.10 TV Movie. 11.40 Westward Late News. 11.43 Faith For Life.

YORKSHIRE

1.20 p.m. Calendar News. 5.20 Emmerdale Farm. 6.00 Calendar. 7.00 Sylvester and Twenty. 7.10 The Tuesday Film: "Do Not Disturb," starring Doris Day and Rod Taylor.

F.T. CROSSWORD PUZZLE No. 2,933



ACROSS

1 Rows in the gallery providing sanctity (9)
6 The shoe in question? (4)
9 Railway official, doorman or unlucky motorist (6-9)
10 Illumination for Noah we hear (3-4)
11 Plan help to return to weight (7)
12 Praise without a lieutenant (5)
13 Don't distribute so much without children (9)
16 Right ring in deer gun (9)
18 Game has many to follow (5)
19 Walked down this to be tyrannised (7)
22 Compunction concerning the code (7)
23 Shut up and secured election another way (6, 2, 7)
24 Produced bread without one . . . (4)
25 . . . but this is better than no bread (4, 1, 4)

DOWN

1 Makes progress before beginning and steals a march upon (4, 1, 4, 5)
2 A comfortable seat for playing cards with cleaner about one (4-5)
3 Vague during former turn (7)
4 Leaving out but expecting differently (9)
5 Strong and resolute so take cover (5)
6 Get ready to cook (7)
7 Companion right for mother (5)
8 Anticipate pledge to number one (7, 7)
14 Spur liars thus in astonishment (9)
15 Go inside and participate actively (5, 4)
17 Caused dictator to appear surrounded by unusual din (7)
18 Disabled everybody coming up for plate (7)
20 Request a form of money (5)
21 Indentation not found on church (5)

Solution to Puzzle No. 2,932

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker, including this week's Top 30 discs, and 12.30 p.m. Newsbeat. 2.02 Simon Bates (S) (also on VHF). 4.30 It's DLT OK!. 5.45 Newsbeat. 6.02 As Radio 2. 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Ray Moore (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 9.32-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.55 p.m. Good Listening (VHF). 2.02 Simon Bates (S) as Radio 1, but including on 1,500m only (also 202m Scotland) 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Three in a Row. 7.30 Robin Richmond: The Organist Entertains (S). 8.02 Among Your Souvenirs (S). 9.02 The Songwriters (S). 10.02 Ian Carmichael's Music Night (S). 11.02 Sports Desk (1,500m only (also 202m Scotland) VHF joins Radio 1). 11.05 Colin Berry with Music to Midnight (1,500m only (also 202m Scotland) VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 — 464m, Stereo & VHF

7.00 a.m. News. 7.05 Overture: Mozart, Beethoven (S). 8.00 News. 8.05 Morning Concert: Arne, Handel, Hertel, C.P.E. Bach (S). 9.00 News. 9.05 This Week's Composer: Aaron Copland (S). 9.55 Beethoven Symphony No. 4 (S). 10.30 Mozart. First of a series of chamber music concerts, part 1 (S). 11.35 Interval reading. 11.50 Mozart concert, part 2. 12.15 p.m. Midday Prom, part 1: Brahms, Beethoven, Verdi (S). 1.00 News. 1.05 The Arts Worldwide. 1.20 Concert, part 2: Tchaikovsky (S). 2.10 Baryton and Viola D'Amore (S). 2.55 Music In Our Time (S). 4.15 English Songs (S). 4.55 Jazz Today (S). 5.25 Pied Piper (S). 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (continued). 6.30 Lifelines: Work and Training. 7.30 The Art of Gerhard Büsch. 8.00 Royal Concert for the Festival of St. Cecilia, part 1 (S). 8.35 Science on a Hinge of History. 8.50 Concert, part 2 (S). 10.00 World Drama (S). 11.25 News.

RADIO 4 — 434m, 330m, 285m and VHF

† Medium Wave only

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today, including 6.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today, including 7.27 Sportsdesk. 7.35 Today's Papers. 7.45 Thought for the Day. 7.50 VHF Regional News. 7.55 Weather, programme news. 8.00 News and more of Today, including 8.27 Sportsdesk and 8.35 Today's Papers. 8.45 Short Story. 9.00 News. †9.05 Tuesday Call. †10.00 News. †10.05 From Our Own Correspondent. 10.30 Daily Service. †10.45 Morning Story. †11.00 News. †11.05 Down Your Way. †11.45 Archive Feature. 12.00 News. 12.02 p.m. You and Yours. 12.27 Just A Minute. †12.55 Weather, programme news. VHF (except London and SE) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour († from 2.00) including 2.00-2.02 News. †2.45 Listen With Mother. 3.00 News. 3.05 Pride and Prejudice (S). 4.00 News. 4.05 Gardeners' Question Time. 4.35 Story Time. 5.00 PM Reports. †5.50 Financial Report. VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 My Word! (S). 6.45 The Archers. 7.00 News Desk. 7.30 The Water-Lilies are as Happy as Sandboys (portrait of Fred Streeter). 8.00 Royal Concert for the Festival of St. Cecilia, part 1, as Radio 3 (S). 8.35 Science on a Hinge of History (as Radio 3). 8.50 Concert, part 2, as Radio 3 (S). 9.50 Weather. 10.00 The World Tonight. 10.45 A Book At Bedtime. 11.00 The Financial World Tonight. 11.15 Talk. 11.30 News.

For Schools (VHF only)—9.20 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.00 Downtown. 11.03 In Town. 11.32 Stuck at Home. 12.03 p.m. Call In, including 12.45 London News Desk. 2.03 206 Showcase. 4.03 Matter of Fact. 4.32 Home Run, including 5.00 and 6.00 London News Desk. 7.00 In Town. 8.00 Holiday Scene. 8.30 All That Jazz. 10.03 Robbie Vincent's Late Night London. 12.00-12.05 a.m. As Radio 2.

London Broadcasting — 261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "A.M."—breakfast-time show. 10.00 George Gale—talking to London. 12.00 Newswatch. 2.00 p.m. Newswatch—second edition. 5.00 Newsbreak. 7.30 London Matters. 9.00 Robin Houston's Nightline. 1.00-4.30 a.m. Newswatch—news every half-hour.

Capital Radio — 194m and 95.8 VHF

6.30 a.m. The Breakfast Show. 9.00 Michael Aspel presents music, guests, competitions and "Swapshop." 12.00 Cash On Delivery. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Open Line. 9.00 Your Mother Wouldn't Like It (rock show). 11.00 Tony Myatt and his late night show. 2.00 a.m. Night Flight.

CINEMAS ARE CONTINUED ON PAGE 33

The distinction of Florentine art

by DENYS SUTTON, Editor of Apollo

The Donatello medallion made by the artist for his doctor, Giovanni Chellini

n interesting aspect of the -fascinating subject of the ory of taste has been the nt to which American ectors and scholars have con- uted to the appreciation and ly of early Italian art. They e not the first to have grasped significances of the Italian nitives—Hugford in the 18th ury and Rumohr and Ottley he early 19th century—were pioneers. Nevertheless, re long transatlantic irers were on the scene.

e first American collector of y Italian art was probably . Bryan, who spent some 20 s in Paris and acquired a ber of interesting works. He hoped that they would form start of a national gallery of at Philadelphia, but when project failed to materialise resented them in New York 853 as "The Bryan Gallery Christian Art." Later they red the New York Historical ety.

e most formidable early erican judge of Italian art James Jackson Jarves who ed in Europe in the 1850s soon secured a number of rate Italian pictures. He l to dispose of them to Boston oddly; they were rejected after complicated negotia- s, they ended up at Yale versity.

e American taste for the itives was observed by ry James who endowed that ery fish, Osmond, in *The rait of a Lady*, with an eye them, his only asset. He ted out that they had risen value since Osmond had ht them.

the 1890s, Berenson was e sorting out the history of an painting, and before long sing collectors and the firm uveen. Berenson has made ecent appearance in Prof. is's biography of Edith rton. He was not the only rican settled in Florence was keen on the Primitives. ther was Charles Loeser, an e student, who at one time ced a string quartet.

e quantity of early Italian res that moved across the ntic during the Berensonian may be seen from this ority's Lists and from the ents of American collections. major buyers were J. G. son, the Philadelphia lawyer a friend of Roger Fry, and ip Lehman, the New York cier. Happily, both collec- s are intact and may be seen e Philadelphia Museum and Metropolitan Museum, New , respectively. The former man mansion, close to the tury Club, was filled with man's treasures until recently evoked a phase in American ural history.

hnson and Lehman were just of the lovers of early an painting. Others were ry Walters, Dan Fellows t and Clarence Mackay, the er-in-law of Irving Berlin, had a special affection for pture and bronzes.

e American collecting of an art has been comple- ted by its historical study. des Berensen, there have men such as Richard Offner, started a great corpus of y Florentine paintings, and ard Meiss, the author of a arkable study of Florentine at the time of the Black th.

he tradition has not lapsed in time and a headquarters for study of Italian art is pro- d by the former Berenson I Tatti, on the outskirts of ence. Although the Baroque l the fashion, younger men continued to devote atten- to the early Italians among them Everett Fahy, director of the Frick Museum, New York, and Richard Freemantle, an Anglo-American.

Mr. Freemantle, who has published a book on the Floren- tine paintings in the Uffizi, has now compiled a large volume devoted to Florentine Gothic Painters (Secker and Warburg, £25), which treats of artists from Giotto to Masaccio. It is a hand- some publication which will prove of value to scholars, dealers and enthusiasts for Florentine art.

It is essentially a picture book in so far as it presents over 1,300 illustrations of works by almost all the principal known painters active from just after the early years of the 14th century until the end of the fifth decade of the 15th. However, those painters who worked in the 1440s and 1450s have been omitted, on account of the existence elsewhere of abundant illustrations.

The achievement of the book lies in the fact that it provides in a convenient form a visual account of a major phase in European art. Painters such as Giotto or Masaccio require no introduction and it is easy to find reproductions of their work. But this is not the case with the lesser men. Thanks to Mr. Free- mantle's industry it is now possible to gain some idea of the artistic personalities of painters such as the Master of the Santa Verdiana Panel or the Master of the Straus Madonna.

Mr. Freemantle's method has been to provide quotations from various authorities about the painters illustrated and a biblio- graphy pertaining to them. He has also supplied lists of dated works, signed works and signed and dated works. The result is an important and practical book which will be long consulted by those interested in the subject.

Florentine art is much in the news, owing to the fact that a bronze tondo representing the Madonna and Child with Four Angels by Donatello is now on view at the Victoria and Albert Museum. This magnificent late example of the sculpture of one of the leading masters of the Italian Renaissance was given by the artist to the Florentine physician Giovanni Chellini and it is described by Chellini in his account book. Later it belonged to the Fitzwilliam family.

The tondo has all the qualities that distinguish Donatello's art, refinement of handling and poignancy of mood. However, whether or not it remains in this country hangs in the balance. It is on show at the museum while attempts are made to find the funds required to acquire it. The price asked, £175,000, is greatly below its true value—as far as such imponderables can be assessed—and the sum of £1m. has been mentioned. It is clearly a bargain. So far £100,000 has been raised and future genera- tions will hardly forgive us if the relatively small balance is not forthcoming by March 1.

ISCM in Paris

by DOMINIC GILL

The list of composers who par- ticipated in the first festival in Salzburg in 1923 of the Inter- national Society for Contem- porary Music reads like a roll- call of 20th-century music itself. The society had been founded at a meeting held after the conclu- sion of the Salzburg Festival the previous year, under the presi- dency of Edward Dent, with a simple mission to "spread the knowledge everywhere of con- temporary music . . . regardless of tendency" in every practic- able way. The six Salzburg con- certs of 1923 included perform- ances, many of them premieres, of works by Berg (the string quartet), Schoenberg (*Das Buch der hängenden Gärten*), Bártok (violin sonata No. 2), Ernst Krenek, Szymanowski, de Falla, Prokofiev, Kodály, Janacek, Bliss, Walton (the first string quartet), Roussel, Koechlin, Lord Berners, Poulenc, Stravinsky (the *Three pieces* and *Concertino* for string quartet), Honegger, Malipiero, Busoni (the *Fantasia contrap- puntistica* for two pianos), Hindemith (the clarinet quintet) and Ravel (the sonata for violin and cello).

That first, extraordinary series of programmes, presented at a time when both broadcasting and recording were in their infancy, and music, as well as musicians, travelled with far less ease and speed than they do to-day, brought together from all over Europe virtually all of the important composers of the age, and set standards which were maintained, more or less con- sistently, for 30 years. The Society's forum each year became one of the world's most influential, most widely dis- cussed new-musical events. Between 1923 and 1955, indeed, it would be true to say that there was hardly a single com- poser of any significance whose work had not been represented at least once at the festival of the ISCM.

What exactly have been the causes of the gradual weakening of the Society's influence and standing since the middle 1950s, and of the massive erosion of its standards, is a matter of some argument. Pierre Boulez's *Mar- teau sans maître*, first heard at Baden-Baden in 1954, was per- haps the last work of real note to be premiered at an ISCM festi- val. There have been landmarks since: but the tendency has been ever more towards the bland, drab, anonymous, mediocre. Established composers have searched for, and found, better platforms elsewhere; young com- posers have become increasingly cynical about their chances—and even about the value itself to them—of being selected.

From the beginning, the choice of music for the festival has always been made each year by an international committee of composers nominated by the Section of the host country; and the list of works offered for their consideration has always con- sisted of entries (restricted to a maximum number) sent by the Sections of each of the partici- pating nations. After recent ISCM débâcles in Iceland and Holland, it was decided for the first time to allow unrestricted entry from any quarter—from individual composers, publishers and cultural organisations, as well as from national Sections. And so it was that this year in Paris, a distinguished panel of six composers from six different countries under the chairman- ship of Iannis Xenakis appar- ently sat in judgment on more than 600 scores and more than 200 tapes, to reduce their number to 39.

I say "apparently," since such indeed was the plan announced, and there was no official intima- tion that the plan had failed. Perhaps a small matter of minutes and hours may have intervened? Allowing only 15 minutes' discussion of each score or tape, there was work here, in a room piled high with music, for a committee sitting eight hours a day for 25 days. The deliberations actually lasted for rather less than three. The result was another débâcle: five long evenings of dismal music, lit by hardly a spark—an absurd ordeal of grey anonymity, dominated by cliques, *sanstalents* and also-rans, that must surely have been brighter and better had it been chosen by one of Xenakis's own aleatoric machines.

There is no point in describing the ordeal in detail. Critical faculties, ground down to the nerve-ends by such a drizzle of grey carborundum dust, seized gratefully on the barest fleck of original colour. By chance, three works which stayed in the memory a little longer than most were all of them British (a tri- bute to our national Section, or to the mysterious workings of Brownian Motion?): Bernard Rands's *Aum* for harp and orchestra, not one of his most striking works, but pretty, attrac- tive: *Wild Flowers* for two pianos by Michael Finnissy, polite but well-made, a whole piece; and an accomplished tape-music essay called *Slopes* by Dennis Smalley, which alone among all the tape exhibits made imagina- tive, dramatic, *musical* use of its material. These three, in con- text, seemed truly *chefs d'oeuvre*.

Most purely offensive were a huge orchestral piece that sounded rather like a stereo demonstration record, *Vagues, chemins, le Souffle*, by Gérard Grisey, for its extreme misappro- priation of resources; and two semi-musical gags masquerading as "experimental work" for solo cello and solo double-bass by the Italian Fernando Grillo, for their infinite, insulting pretention. For inappropriate but blessed relief, six works by Schoenberg, Berg, Webern and Varèse were also included in the Paris pro- grammes—but do we really gather still at an ISCM to hear Schoenberg's *Erwartung*, even such a *rayon de soleil* as it seemed (and as my colleague Jacques Longchampt put it with feeling in "Le Monde") *au milieu de la grisaille*?

And what of cures, answers, solutions? Whether the fault lies with the notoriously con- servative, self - interested national Sections, with the selec- tion panels, or (most depressing conclusion) with the composers themselves, the ISCM clearly cannot continue on its present path. The need for the Society, certainly—in an age of disc and tape, of radio stations, festivals and benevolent institutions—is nowhere near as urgent as it used to be. But can it be true that the most extreme solution, and the one at present most commonly suggested, that of disbanding the ISCM altogether, is necessarily the best?

There will always exist in the world a fund of new, young music ignored at national level— music which slips, for one reason or another, through the net. The framework is there: a properly reconstituted ISCM could per- form a real and vital function still. The elimination of national Sections this year was perhaps a step in the right direction: why not, after all, a panel of professional readers, made up not only of composers but also performers and academics, elected annually by congress, which could at regular meetings examine works submitted to it throughout the year from any source—a truly international body, whose sole criteria should be excellence and neglect?

Another ray of sunlight—or more accurately perhaps, as one felt it then, a blaze of birdsong and a cleansing blast of desert air—was provided by the Euro- pean première of Messiaen's new orchestral work *Des canyons aux étoiles* . . ., given under the umbrella of the Festival d'automne. The British premiere of *Des canyons* was described last week on this page by Max Loppert: in the context of the ISCM, the Paris performance given by Ars Nova under Marius Constant was no less than trans- fixing—immutable experience to hear music at last so irrefutably composed, stamped in every bar with the mark of a master! The work of the German pastor and composer Dieter Schnebel, too, presented as an hors d'oeuvre to the ISCM by the Festival d'automne, made a lively and refreshing contrast — most especially *Maulwerke*, an ex- haustive investigation with live performers and film, often beautiful, sometimes uncomfort- ably funny, of the human organs of voice and articulation, tongue, teeth, lips, throat, glottis and all.

New Victoria

Emmylou Harris

by ANTONY THORNCROFT

Emmylou Harris is the kind of artist that gets country music a good name. A tall, dominat- ing lady who sings strongly and moves smoothly, she played her first British concert on Satur- day, and played the best concert seen in London in a depressingly dull year.

As usual the word was out that Emmylou is quality stuff and there was a happy glow from the packed audience before she took the stage with the six strong Hit Band. For the next two hours Emmylou Harris glittered.

The product was good; switch- ing easily from the slow emo- tional ballads that are the naive soul of Nashville to the driving electric blues which are the bonus Nashville has gained since patronised by rock artists. The band was good; with Emmylou's exuberant voice powerful enough to match guitarist James Burton who plays on Elvis Presley records and piano player Glen D. Hardin. And the atmosphere was good; the country fans enjoying the electric bite to the music while the rockers were calmed by the melody and sentiment.

It is not really surprising that some of the best contemporary musicians, led by Bob Dylan and his Nashville Skyline album, should have reacted from the sterile inhumanity of heavy rock by themselves rejuvenating country music. They have brought freshness and biting lyrics to the syrupy corn that oiled Nashville, and Emmylou Harris is the ripest fruit of the marriage. Her songs, many written by her dead husband Gram Parsons, have a toughness that would shock the more folksy country musicians, and there is minimal cosiness in her performance.

Emmylou Harris is an attrac- tive, creative artist, whether she is singing sardonic songs like "Bottle let me down" and "Queen of the Silver Dollar" or the romantic "Too far gone" and her own "Boulder to Birm- ingham." Despite her tasselled cloak over tight jeans she is basically a rock singer, hooked on country, and she closes her show with Chuck Berry's "Rock- n-roll" music. Emmylou brings California class to Tennessee whimsy, and next time she plays here she will come trailing the reputation of a very big artist indeed.

Greek Month music

by DOMINIC GILL

Unadventurous choice of music programme for a festival of Greek art in London, put together by the ICA, and inspired by the proposition that "one has begun to realise that Italy is more than Verdi and cassata; the same perception needs to be reached on behalf of Greece."

Greece is not all ouzo and bouzouki; and neither is it, orchestrally speaking, all Christou and Xenakis. Last Thursday's opening concert at the Festival Hall, given by the New Philharmonia under Elgar Howarth, was an unsurprising affair—a programme of orchestral and choral music divided between two of the best- known Greek composers of the established present-day genera- tion, Jani Christou and Iannis Xenakis, which contained only one piece new to this country— not so much a bad choice, as a sad chance missed to explore the substantial repertory of important works (by these two composers as well as others) still neglected here.

The piece new to London was Xenakis's piano concerto *Synaphai* (1971), bright, bril- liant, hammer-hard, a wild chorus of instrumental colour— urgently championed, but with- out anything like the ideal degree of fierceness by Geoffrey Douglas Madge in the place of an indisposed Roger Woodward. We also heard Xenakis's *Aurora* for 12 strings, and his orchestral *Antikhthon* — both interesting and well-made, lit with flashes of inspiration, but all the same from his lesser canon of works. Someday, perhaps, someone will find the place and the money to give us Xenakis's superb *Cendrées*, or his most recent *Empreintes*.

It was good to hear again Christou's exuberant orchestral *Patterns and permutations* (1960) —for its strong, clear construc- tion, and its considerable dramatic force. And good also —in spite of certain problems of balance in the performance—to hear again his oratorio for Pentecost, *Tongues of Fire*: a 25- minute essay for soloists, mixed choir and small orchestra, rich and varied in texture, complex in detail, which nonetheless makes its effects with clear, bold strokes of the pen. Not "great music" maybe: but sure-handed, strong-minded and open- heartedly sincere.

On Sunday night at the Round House, members of the London Sinfonietta and others gave a programme of Greek chamber music. No Greek composer born since the war was represented: and indeed the major part of the evening was once again devoted to the generation of the 1920s— Anestis Logothetis (1922), Xenakis and Christou, Yannis Ioannides (1930) and Terzakis (1938). Christou's oddly haunt- ing *Anaparastasis I . . . Astron* for four strings, four wind, piano and actor/narrator was all the same both dramatically and musically too shrill, too indul- gent, for my taste. Logothetis's little graphically-notated *Odysee* was pleasing, if hardly arresting. The young Arditti Quartet gave excellent performances of a neat, prettily-textured piece by Ioannides; of another by Ter- zakis, more maundering, inconse- quential; and of Xenakis's tense, tightly-reined *ST/4-1 080262*, a stochastic computer-piece for four instruments composed on February 2, 1962.

Wigmore Hall/Elizabeth Hall

Kvapil, Tchaikowsky

by MAX LOPPERT

The programme offered by the Czech pianist Radoslav Kvapil on Sunday evening was com- posed entirely of Czech music— an interesting idea, because of general unfamiliarity with that country's piano literature; but only intermittently an enjoyable concert. It was hard, after the three initially arresting, subse- quently incoherent fugues by Antonin Rejcha, and the garuously unmemorable B minor Sonata by Vorisek, to maintain a just sense of historical perspective, and to restrain oneself from fastening on Janacek's *In the Mist* Suite as the greatest piece ever written for the piano.

It is not that; but its trans- formation of a speech-dominated style for pianistic purposes keeps company with the best of mature Janacek. Mr. Kvapil, a pianist whose strong wrists and fingers and forthright style have been evidenced on many records of Dvorak and Janacek from Czechoslovakia, made much of the jaggedly cut phrases, urging them, in the final *Presto*, to a passionate concentration of statement. There is another side to the Suite, however, its haunt- ing melancholy; and though the delineation of tone and line was always commendably firm at all dynamics, tone-colour tended to be monochrome instead of many-shaded.

As the recital was organised by the Dvorak Society of Great Britain, it was only fitting that the second half should be devoted to that composer. Mr. Kvapil did not persuade the listener that posterity has been unkind in relegating the set of eight *Humoresques*, Op. 101, or the *Silhouettes*, Op. 8, to the practice-room, along with almost all of Dvorak's piano music; the passage of melodic charms was straightforwardly presented, without the cunning nuances of phrase likely to win indulgence for their rumbling naivetes. The pianist was best suited to three of Smetana's Czech dances played before interval—his robust, full-bodied style and their bounding rhythms married famously. Mr. Kvapil, a distin- guished exponent of contem- porary Czech piano music, had evidently been unable to sneak a little into his offering—a pity.

*

At another* piano recital earlier on Sunday, André Tchaikowsky's programme painted less a portrait of his native Poland—though he in- cluded the Four Mazurkas, Op. 50, by Szymanowski, and the Chopin F minor Ballade—than one of himself on present-day form; an ill-formed, incomplete picture it turned out to be. Several André Tchaikowskys jostled with each other, without managing any convincing form of coexistence: the hectic, spindle-toned whirlwind, who rushed through Handel's G major Chaconne and the virtuoso parts of the Liszt Sonata in strident, careless fashion; the lingerer, lazily fondling *ppp* phrases in Liszt and Debussy's *Estampes*, fining them down into affected near-inaudibility; and the brilliantly imaginative and subtle artist, who could, be- tween these extremes, draw sudden, temporary enchantment out of the piano, as in a per- fectly balanced account of *Pagodes*. It was never an un- interesting, mostly a maddening, recital.

Chinese porcelain for the B.M.

Sir John Addis, lately our Ambassador to China, has pre- sented his collection of Chinese porcelain to the British Museum. It will be on view at the entrance to the King Edward VII Gallery until the first week in December, and will then be incorporated into the display at the east end of the gallery.

The collection of 23 pieces is almost wholly devoted to the Yüan and Early Ming Dynasties (14th and 15th centuries AD). Every piece is of outstanding quality, and the collection illus- trates all the diverse techniques used to decorate the fine white porcelain made at the ceramic metropolis of Ching-te Chen.

WORLD TRADE NEWS

GATT TALKS ON EXPORT SUBSIDIES

U.S. proposal for code gets cool reception at Geneva

BY DAVID EGLI — GENEVA, Nov. 17.

U.S. PROPOSALS to lump together subsidies and countervailing duties under a new, single international code met with a cool reception from other major trading partners in the non-tariff measures sub-group of the multilateral trade negotiations whose latest round of talks has just ended here.

The U.S. delegation formally proposed the division of all subsidy practices into three negotiable categories, each with different rules concerning the application of countervailing measures.

At the top end of the scale there would be a prohibited category including direct payments to industry, tax deductions or credits applying only to export profits or performance, essentially, this covers the kind of subsidies outlawed under the GATT Article 16, and, according to the U.S. proposal, countries would be permitted to apply countervailing measures against those practices without any conditions.

A second category would include practices such as research and development allowances, investment incentives and regional aids which would be subject to offsetting measures only under certain conditions, such as an injury test.

Finally, the U.S. proposals would include a category of permitted subsidies—aid to developing countries, disaster relief, adjustment assistance, trade fairs and so on—which are considered of minimal impact on international trade and against which there could be no recourse to countervailing duties or other offsetting measures.

That somewhat disingenous approach sidesteps, in the view of other trading partners, the major issues of possible confrontation which are looming in this area. In pjarticular, it plays down the need to demonstrate material injury as a requirement for countervailing action and is not explicit on the issue of subsidies related to raw materials and *agriculture exports*.

The European Community clearly wants to stick with Article 16 of the GATT which, under certain very general conditions, permits subsidies on exports of "primary products." On the other hand, the Community is waging battle against what it sees as the U.S. desire to retain an unfettered right to undertake countervailing without an injury clause.

Because U.S. countervailing legislation existed prior to the GATT the U.S. can at present get away with this even though Article 6 of the GATT specifically calls for injury tests.

The Community approach was therefore heavily accented on the countervailing side, with the presentation of an outline paper for *a code of countervailing practices*, and a call for "others" to bring their domestic law in line with some form of international inspection machinery.

The positions of other trading partners lay somewhere between those two starkly opposing views. Canada and Japan both tended to stress the need to stick fairly closely to present GATT rules, while tightening up their application and interpreting them in the light of present world trade conditions.

The Canadians favoured a countervailing code with international machinery.

West European trade

WITH LITTLE sign of recovery from the present slump, the UN Economic Commission for Europe forecasts a lower volume of imports for the present year for all West European industrialised countries except Sweden and Norway, and some decline in exports for all countries.

A *surprising* consequence of the recession, the Commission's Economic Bulletin for Europe finds, is the degree to which imports have contracted in relation to the fall in gross domestic product and manufacturing output.

A likely reason for this first decline in imports on a year-to-year basis in more than two decades, it is found, is the heavy *and widespread de-stocking* which has taken place over the past year, combined with an abnormally quick growth of imports in the previous boom period.

As a result, Britain, France, Italy and Switzerland have all experienced large favourable swings in their trade balance by volume in the first half of 1975. Those countries also experienced a contraction in demand for imports, so that their trade balances by value also showed marked improvements.

The ECE records an improvement of over $9bn. in Western Europe's overall trade balance between the first halves of 1974 and 1975 because of the more favourable terms of trade, the contraction in demand and the fast growth of exports to the oil exporting countries and to the Soviet Union.

On the other hand, the ECE gives a warning that developing countries which do not export oil may not have adequate finance to maintain their imports from industrialised countries. Those may already have started to fall, even in current dollar value, in spite of continuing price inflation, the commission says.

U.K. acts to curb S. Korea acrylic yarn imports

BY RHYS DAVID

THE GOVERNMENT has taken steps to control imports of acrylic yarn from South Korea, following *evidence that* substantial quantities were being diverted to the British market as a result of recently imposed restrictions in Germany.

From to-day no further licences will be issued for the import of acrylic yarn from South Korea until the end of the year. Licences will be available only for goods shipped before yesterday.

The Government has acted because of a build-up in imports of low-cost acrylic yarn detected through the surveillance licensing system which now operates for textile imports.

In the first four months this year imports from South Korea of acrylic yarn—used largely by the knitwear trade—totalled 54 metric tonnes, a level which was already causing problems for the U.K. industry.

In June the total rose to 73 tonnes, in July 55 tonnes and in August 60 tonnes. Further very steep increases were apparently on the way.

One important reason has been the restrictions which the EEC Commission has allowed West Germany to impose on South Korean acrylic yarn imports under the terms of the GATT Multi-Fibre Arrangement because of disruption in the German market.

This has evidently resulted in South Korean spinners diverting their export effort to the U.K. and to France, which has also now been authorised by the Commission to introduce restrictions.

Loss of jobs

The increased quantities detected through the surveillance system are also likely to have resulted at least in part from a higher level of ordering by U.K. importers anxious to obtain goods in anticipation of possi[ble] curbs.

The new restrictions w[ere] *welcomed yesterday by* Worsted Spinners' Federation Bradford which pointed out t[hat] pressure from low-cost impo[rts] was an important factor beh[ind] the loss of 3,000 jobs out o[f a] total of 21,000 in the indus[try] since the beginning of the ye[ar].

The industry has been seek[ing] for much of the year to persu[ade] the Department of Trade t[hat] Far East producers have b[een] dumping acrylic yarn in the U[.K.] market.

Using acrylic tow raw mate[rial] bought in Japan for about 70[p a] kilo, the Far East producers h[ave] been offering a delivered pr[ice] in the U.K. in recent months [of] only about 110-120p a kilo. T[his] compares with a keen price fr[om] U.K. producers of about £1.7[0 a] kilo.

Further downstream, U[.K.] knitwear producers have a[lso] been affected by imports of ch[eap] knitwear from the Far East [and] this has resulted in a furt[her] contraction in the market [for] U.K.-produced yarns.

As a result, some major y[arn] producers have cut back th[eir] operations. They include Co[ats] Patons which last mo[nth] announced a major [re]organisation of its industrial y[arn] activities at Darling[ton] involving the loss in the cou[rse] of next year of 550 jobs. Anot[her] is Courtaulds, which has [dis]missed more than 300 people [at] its Spennymoor, Durham y[arn] plant.

As far as the Government['s] concerned the new restrictions [do] not take it any closer to [the] introduction of import contr[ols] for textiles, as requested by [the] industry and by the TUC.

The Government is likely [to] point to the move as an exam[ple] of its readiness to use exist[ing] powers under internatio[nal] arrangements to the full to s[afe]guard sectors of the textile [in]dustry faced with difficulty.

Swedes unrepentent on controls

BY WILLIAM DULLFORCE — STOCKHOLM, Nov. 17.

THE SWEDES may just have punched a hole through the defences of the opponents of trade protection. Although they have been among the most ardent champions of free trade, on November 5 they introduced restrictions on imports of shoes and rubber boots.

The action by itself will have only a marginal economic effect, but the manner of its doing could be far more significant, as the EEC Commission, which has reacted wrathfully, has clearly appreciated. On Monday it raised tariffs on imports of some Swedish paper qualities which had exceeded the quota, and promised further retaliatory measures.

The trouble is that by invoking security interests to justify their restrictions the Swedes have established a precedent. They may also have unveiled a loophole, not only in their own Free Trade Agreement with the EEC but also in the GATT agreement, which could conceivably be exploited by other governments being urged to control imports.

Not so, say the Swedes. They claim that the special circumstances arising from their long-standing policy of armed neutrality are not duplicated in other countries. They argue that by applying Article 21 of their agreement with the EEC they have behaved considerately and diplomatically. Had they invoked Article 26, which allows temporary restrictions where there *are sectoral or regional disturbances* to an industry, they would have been inviting every country in the OECD to follow suit, especially those, like Britain, whose textile and clothing industries are under strain.

The Brussels Commission, anxious to forestall any opening of protectionist floodgates, undoubtedly regards the Swedish argument as dubious, if not specious. Domestically, the Swedish government has come under fire from explorers, the third world lobby and a majority of the Press, but is sticking to its guns, and, with Communist and Centre Party support, can expect to win approval from a parliamentary majority. It is also keeping open the possibility of introducing *similar import curbs on textiles*.

The Government believes that the EEC Commission has over reacted, but two questions at least will have to be clarified before the Commission comes round. Is Sweden really a special case? And could the appeal to security interests be invoked by other countries?

The ability to maintain a credible, deterrent defence capability has been axiomatic to Swedish neutrality since World War II. That capability is seen as involving not only military but also economic preparedness, and the country's Economic Defence Board is an influential organ. It maintains large stockpiles of strategic goods, oil and other fuels and keeps a watchful eye on the health of strategic industries.

Recently it reported that the shoe industry had been reduced — by a combination of high domestic costs and foreign competition — to a dangerously low level. Swedish companies now produce 30 per cent. of the shoes bought inside the country, compared with 74 per cent. in 1960.

The Board considered that further stockpiling would not meet the situation and that, while it might be possible to warehouse machinery, workers' skills could not be similarly mothballed.

The government has introduced a Bill providing for a number of support measures and for import controls. They entail a global quota, excluding the socialist countries whose exports to Sweden are already restricted, equivalent to the annual average of the three-year period 1972-1974.

The quota, the government maintains, means an import level higher than that reached in 1974. In theory the EEC, which provided just £24m. out of a total value of £47.7m. for Swedish shoe imports in 1974, will be able to maintain its share of the market, provided its companies remain competitive.

The Swedish restrictions are not temporary. Although this has not been spelt out, they are designed to provide the domestic industry with a guaranteed share of the market for the foreseeable future. In the circumstances it would have been difficult for Sweden to invoke Article 26 of their EEC agreement.

If one accepts the Swedish argument that preservation of the shoe industry was necessitated by defence considerations, then the Government's decision to invoke Article 21, which allows it to protect industries "which it considers essential to its security in time of war or serious international tension" might have some validity. But similar clauses exist in the EEC agreements with other EFTA countries and, even more important, in GATT. Where can the limit be drawn?

The Swedes have provided a poser for the EEC in particular. Fundamentally, the EEC has to decide whether to fight the Swedes on a matter of principle or to downgrade the issue, accept the Swedish case for exceptional treatment and hope that no other country will follow suit.

U.K. prospects in Cuba

BY QUENTIN PEEL

RE-EQUIPMENT OF the Cuban sugar industry in that country's next Five-Year Plan should provide a major sales opportunity for Britain's machinery exporters, Mr. Peter Shore, Secretary for Trade, said in London yesterday on his return from visits to Cuba and Mexico. Cuba was planning to re-equip 40 out of 140 sugar mills during the next five years, he explained.

U.K. trade with Cuba was likely to be 25 per cent. higher this year than in 1974, and l[ast] year's total of £24m. had alrea[dy] been exceeded by £6m. in t[he] first nine months of 1975.

Department of Trade offic[ials] would brief both of Britai[n's] major sugar refiners—Book[er] McConnell and Tate and Lyle as well as machinery manuf[ac]turers on the opportunities, [he] said. Mr. Shore attended the fi[rst] meeting in Havana of the Ang[lo-]Cuban Joint Commission to [de]velop economic and industr[ial] co-operation.

Road transport rule changes

By David Egli — GENEVA, Nov. 17.

A NEW customs convention on the international transport of goods, negotiated here in a 34-nation conference, will be open for signature in the new year.

It will replace the International Transport of Goods by Road System (TIR) introduced in 1960. The TIR system is extended to cover transport in which only a part of the journey is made by road, with t[he] remainder by rail or by sea.

Other innovations include [a] single carnet for both truck a[nd] trailer, and the possibility und[er] the new convention for nation[al] authorities to waive the payme[nt] of customs duties on goods whi[ch] have been destroyed or lost a[s a] result of an accident or throu[gh] force majeure.

Contracts Abroad

HOLDERBANK MANAGEMENT UND BERATUNG, a subsidiary of the Swiss-based Holderbank group, will make a feasibility study and undertake subsequent planning and contract surveillance for construction of a cement works in Eastern Saudi Arabia. The plant would have an annual capacity between 700,000-1m. tons.

MOEVENPICK, Switzerland, will build a 500-bed motel for the Egyptian hotel and restaurant company Egoth close to the Pyramids. Moevenpick's subsidiary Moevenpick Projektierungs- und Management, of Adliswil, will be responsible for architecture and will act as contractor for the restaurant section.

Export Contracts

P-E CONSULTING GROUP w[ill] advise Telecommunication Co[m]pany of Iran on manpower pla[n]ning, recruitment and traini[ng] relative to the quadrupling [of] the telephone service. The co[n]tract is worth $1.3m.

GRUNDY ARNATT, Kingston-[upon-]Thames, will supply windows a[nd] associated aluminium produc[ts] worth £150,000 for two constru[c]tion projects in Bahrain.

CRANE AND HOIST will bui[ld] 198 cranes from ½-ton to 15-t[on] capacity, worth £550,000, Factory 100, Cairo.

The Financial Times, published daily exc[ept] Sundays and holidays. U.S. subscriptio[n] $190.00 air freight $391.56 (air mail) [per] annum. Second class postage paid at N[ew] York, N.Y.

AMERICAN NEWS

Quebec takes Games in hand

BY ROBERT GIBBENS

MONTREAL, Nov. 17.

E QUEBEC Government will week set up the Olympics allations Board (Regie Des allations Olympiques) to rsee construction of the mpics facilities and ensure y are ready for hand over to Olympics Organising Comtee (Cojo) by June 6, 1976, appointed date.

The Board will have total ponsibility to finish the mpics stadium and carry out expenditure cuts being ned," said Quebec Solicitoreral Fernand Lalonde. "It ld be physically impossible inish it by June 6 according the original design."

e said the committee for trol of the Olympic Games up earlier by the Governit and the City of Montreal) decided the management of worksite is "not satisfac-." The province would be in etter position than the City Montreal to inject more iency into the construction gramme and to eliminate t is not strictly necessary in stadium design and other lities.

he cost of the stadium-towerl complex has now risen to a gering $600m. against $375m. mated only last July and m. as promised by Mayor Drapeau in 1972. Construccosts generally in Quebec e about doubled in that od, and the Place Desjardins, nearly 2m. square foot office, mercial and hotel complex in ntown Montreal, with about same construction time frame, has risen from $170m. to just over $200m. The Government says it can cut $75m. from the stadium cost by trimming the height of the 600 foot tower, putting off installation of the retractable roof and altering the Press centre. But neither the Government nor city of Montreal has given any reasonable explanation of the rise in stadium construction cost far beyond the average rise in Montreal construction costs generally. Even the large amount of overtime at the site cannot explain this.

M. Drapeau has made no apparent resistance to the Quebec takeover of the Games facilities. Though this is being seen as a defeat for him, it is not necessarily so. The ostensible reason for the takeover was the city's request for another $200m. loan for completing the facilities. But Mayor Drapeau who almost certainly will not be running in the next election, has been trying all this year at least to get the provincial government to share in the responsibility—and the Federal government too.

However, Premier Robert Bourassa has been extremely wary of getting into direct contact with the controversial project, and he knows his own government purse is constricted by the inflationary rise in public service wages, and lagging revenues because of the recession. Cojo itself is probably glad that the province has taken a direct role, since its only interest is getting delivery of the facilities on June 6, 1976.

Magazine tax debate ends with guillotine

BY VICTOR MACKIE

OTTAWA, Nov. 17.

BATE ON controversial tax sures affecting Time gazine and Readers' Digest ed abruptly in the Commons ay under Governmentosed closure. Now the Bill, ling certain tax concessions, go before a Parliamentary mittee later this week.

he closure, a procedural ic last used in 1971 to limit ate, was supported by the eral majority last week to a Progressive Conservativeired stalemate which has t the tax Bill on the Coms order paper since April.

he tax legislation would disw 100 per cent. income tax uctions on the cost of advering in the Canadian editions Time, Readers' Digest and a number of smaller foreign-owned publications.

When he introduced the legislation, State Secretary Hugh Faulkner expected to have it passed within three months. But after almost nine months on the Commons order paper the Bill had been debated for six days without receiving its second reading.

Conservative MPs stalled the second reading vote with demands for more information on what steps the magazines should take to qualify as Canadian, forcing the Government to use the closure motion to get a second reading.

Without the advertisement tax deductions, publishers say the two magazines will probably have to discontinue their domestic editions.

Car makers cautious over sales upturn

By Jay Palmer

NEW YORK, Nov. 17.

DESPITE recent sharp rises in domestic car sales, U.S. car makers remain very wary of over-optimistic projections of trends.

Over this last week-end, Chrlyster, weakest of the car makers, announced plant closures to keep December production down and similar plans are believed to be under consideration by Ford and General Motors.

Part of the industry's problem is that, while the latest car sales figures are well up on last year, the returns still compare very badly with the less depressed figures for 1973

The early November sales jump of 45 per cent., for example, is well ahead of anything seen. Earlier this year, but sales are still 15 and 25 per cent. down on the previous two years.

While stocks of unsold vehicles are down on the very depressed levels of this Spring they remain historically high. For the current seasonal period of strong demand for new model-year vehicles, the current supply of between 42 (General Motors) and 79 (Chrysler) days is dangerously high, even though this time last year the range, industrywide, was nearer 90 to 120 days. In boom times gone past, a November supply of nearer 30 days was considered the norm.

The industry is quite clearly determined not to repeat the disasters of late 1974, when dramatically falling sales on increased production left companies with no option but to close plants and lay-off workers.

So, while sales are now rising, they remain below the industry's present capacity.

New demand for Peron resignation

CORDOBA, Nov. 17.

THE DISSIDENT Peronist "Authentic Party" opened its first congress in a makeshift meeting hall last night after bomb blasts earlier wrecked the union hall where it was originally due to be held.

The Congress started with a renewed call for the resignation of President Isabel Peron. Party official Andres Framini told delegates from 16 of Argentina's 23 provinces that the entire Peronist Government should quit along with Senora Peron to pave the way for general elections.

Reuter

EEC urges U.S. to control increasing protectionist moves

BY GUY DE JONQUIERES

NEW YORK, Nov. 17.

THE EUROPEAN Ccommission strongly urged the Ford Administration to-day to keep a firm check on protectionist pressures building up inside the U.S. and warned that failure to do so could inflict grave damage on international trade.

In a speech in New York to the National Foreign Trade Council, EEC Commissioner Finn Gundelach commended the Administration for its efforts to resist such pressures so far, but added that the Commission remains "very concerned" about developments on the trade front in the U.S. in recent months.

While acknowledging that the world-wide recession has led to a resurgence of protectionism in many countries, Mr. Gundelach said: "We have been given some reason to fear that in America at present the road that leads from the exercise of pressures to the implementation of protectionist measures is dangerously open."

Mr. Gundelach's address is likely to set the general tone that he will take later this week in Washington, when he is due to discuss a number of problems besetting U.S.-EEC trade relations with senior members of the Ford Administration.

Mr. Gundelach, who is standing in for Sir Christopher Soames because of the latter's illness, is expected to impress on U.S. officials the particular concern felt by the Commission that the 1974 U.S. trade Act is encouraging retaliation by protectionist groups in the U.S.

To-day, he noted that until the Admiinstration's recent decision to dismiss complaints about EEC exports of rolled steel, more than $4.5bn. of Community exports to the U.S. weer the subject of complaints brought under the Trade Act. This was the case, he pointed out, at a time when the U.S. was enjoying a record surplus in its trade with the EEC.

The EEC commissioner is expected to question U.S. officials closely about the outcome of the current U.S. Treasury investigation into exports of cars from Europe and Japan. The Treasury is due to decide early next year whether foreign cars are being "dumped" in the U.S.

Reagan looks like Florida favourite

BY DAVID BELL

WASHINGTON, Nov. 17.

MR. RONALD REAGAN, who is expected to announce later this week that he will run for the Presidency, is emerging as the clear favourite of Republicans in Florida, where he is likely to mount a key challenge to President Ford in a primary next March.

Meanwhile, Mr. Jimmy Carter, the former Governor of Georgia and one of the new, more moderate breed of southern Democrats, won more than 60 per cent. of the votes at a State Democratic convention. This puts him in a strong position to fight the democratic primary, where Governor Wallace of Alabama is also expected to campaign strongly.

The significance of Florida, the third of next year's primaries, is that both Mr. Reagan and Mr. Carter are hoping that victory in the State would help them launch a bandwagon that would be difficult to stop.

A Reagan victory in Florida would be a major blow to President Ford's chances of winning the Republican nomination and it is a threat that Mr. Ford's supporters, who so far are conspicuously badly organised, take very seriously.

U.S. crime rate up 18%

WASHINGTON, Nov. 17.

SERIOUS crime in the U.S. rose more last year than in any previous year on record, the Federal Bureau of Investigation said to-day.

The FBI's 293-page 1974 uniform crime report said that 10.1m. serious crimes occurred last year, about 1.5m. more than in 1973, for an increase of 18 per cent. Serious crime includes murder, rape, robbery, assault, burglary, theft and car theft.

The increase is the biggest shown in the 14 years records have been kept in the present form and probably its the biggest in history, an FBI spokesman said.

UPI

ANADIAN PROVINCIAL POLITICS

Third Force in Quebec

BY ROBERT GIBBENS, MONTREAL CORRESPONDENT

NEW Party, Le Parti National, being formed in Quebec under leadership of Mr. Jerôme oquette, who resigned as eral Minister of Justice in tember. He hopes to gather port from dissatisfied mems of the separatist Parti ébécois, of the Liberals (who d more than 90 per cent. of National Assembly seats), l of the moribund Union tionale and Social Credit ties.

There had been rumours for eral months that someone uld try to set up a new Third rce—to occupy the ground ween the Liberals, who are eralist, and the Parti ébécois. They were fanned t spring when several leading ench Liberals in Ottawa openly ticised the leadership of Robert Bourassa, the proicial Prime Minister of Quebec.

Mr. Choquette, a member of an l Montreal Liberal family, was ifted from Justice to the ucation portfolio this summer, th the express task of clearing problems in applying Bill 22 he act designed to make French e official language of Quebec) an immigrant area of Montreal. ne issue was the number of aces allowed to those Italian migrant children who had ssed proficiency tests in nglish in the publicly-financed nglish-language primary schools.

After a few weeks, Mr. Choette abruptly resigned, saying was not possible to apply Bill with fairness because it was o vague. He had been a successful Justice Minister since 1970 and has been a member of the national assembly since 1966. When he resigned, he also left the Quebec Liberal Party. Mr. Choquette had been chafing under M. Bourassa and had disagreed with many details of policy for many months. Insiders were not surprised by his resignation: the education portfolio is known as a "cemetery" for aspiring ministers because of the language issue. Also, the polls were showing declining support for the Liberals and signs that many people liked the idea of a third force.

Mr. Choquette kept quiet for a couple of months, refusing all interviews. Some said he might sit as an Independent, others that he would join the PQ: some PQ moderates might have accepted that.

There was speculation that he might lead a revival of the old Union Nationale, once the predominant party in Quebec, which has fallen upon evil days. There were certainly talks with the UN leader, Mr. Maurice Bellemare, once Minister of Labour under Mr. Maurice Duplessis. But then Mr. Choquette was thought to be the man to set up a Third Force party, bringing together virtually all those in the province who are not happy with the existing parties, including even those English-speakers angered by Bill 22.

The news finally broke on November 11. Mr. Choquette confirmed that he is leading efforts to form the new Parti National. Virtually every "floating" voter is welcome except those of the far Left. Mr. Choquette indicated that the party would be somewhere centre-right. At no time did he mention the words social democrat. In Quebec both the Liberals and the Parti Québécois claim to be the true social democrats.

Mr. Jerôme Choquette

The English-speaking minorities were largely sceptical. In their Press last summer, Mr. Choquette came through the school row as a hardliner for French. He said that only those children whose mother tongue is English should attend English-language schools: all others should go to the French system. He will certainly try to soften this image now, since the English-speaking vote is important in Montreal.

The reaction of the *francophones* was different. Their media will examine the Parti National, its philosophy if any, and its prospects from all angles exhaustively for the next month. Already it has become a new TV game. But that is the mood of French Canada. People are quick to take up new fashions and fads, even in politics, and can tire of them swiftly. There is a certain rejoicing when Ministers fumble the race for popularity in the opinion polls.

The Bourassa cabinet has been struggling with huge civil service and public employees' pay claims, the cost of the Olympics, the recession—and with public disillusionment with Government by technocrats. Mr. Bourassa has been criticised because he tends to want to make all the decisions himself and does not bear easily competition from his lieutenants. That may have been a factor in the resignation of Mr. Choquette, who had gained solid respect for his programme of judicial reform.

Mr. Choquette made no recriminations in his speech except to say that Quebec needs "stronger leadership." The Parti National wants to offer that stronger lead, will be nationalist while supporting a decentralised Canadian confederation, pressing for Quebec's special constitutional needs, and proposing broad political and social reform, with social stability.

The next provincial election is due in 1977 but could be called earlier. Whence will the Parti National draw the dissenters? At the start its appeal will be largely middle-class—but so is that of the Liberals and the Parti Québécois.

Though the opinion polls have shown a growing popularity for the PQ, at the grassroots there is growing impatience with the warring factions within that party. Moreover, many ordinary people only flirted with the PQ's separatism as long as it was safely beyond the realms of possibility.

Hence quite a number of PQ members may be attracted by Mr. Choquette. Liberal Party discipline will be very tight. The Union Nationale and what is left of the Social Credit could swing towards the Parti National.

But when polling day actually comes, Mr. Choquette may have a hard time attracting a significant portion of the English-speaking vote in Montreal. The test will be whether the Parti National can marshal the forces of dissent into a real political instrument and how swiftly it can build a constituency organisation and agree on a saleable programme for the mass of voters.

EUROPEAN NEWS

Azevedo pressed to increase Communists' role

BY PAUL ELLMAN

LISBON, Nov. 17.

PORTUGAL'S SIXTH Provisional Government to-day faced pressure to increase its Communist membership in order to win the breathing space it needs to establish its authority in the country. Following the massive show of strength organised here over the week-end by the Communist Party and its trade union allies, attention has now switched to to-morrow's scheduled Cabinet meeting.

Concession

It is thought President Francisco da Costa Gomes may exercise his right to attend Cabinet meetings to impress upon the Prime Minister, Admiral Jose Pinheiro de Azevedo, and his colleagues the need to make some form of concession to the Communists. The President made a point of stressing over the week-end that no Government could hope to succeed in Portugal without the approval of the Communists. His remarks followed consultations last week with Dr. Alvaro Cunhal, the Communist leader.

The Communists, following up their crushing defeat of the Government in last week's building workers' strike and holding out the threat of more agitation in the days ahead, have made the Minister of Labour, Commander Joao Tomas Rosa, their principal political target, with their trade union allies demanding his dismissal. Commander Tomas Rosa spoke at a pro-Government rally in Viseu, in the central north of Portugal, over the week-end but the Prime Minister's office went out of its way to-day to state publicly that he had not done so in the name of Admiral Pinheiro de Azevedo.

Any attempt to give the Communists any more portfolios—they currently hold only one—would, however, bring a sharp response from the Popular Democrats, whose leader, Dr. Francisco Sa Caneiro has lately been leading a vociferous campaign against the Communist Party. One of the conditions the Popular Democrats set for joining the sixth Provisional Government was that the Communist representation should reflect only their electoral support in the country.

Such a move would also add to the tension inside the Socialist Party, whose leader, Dr. Mario Soares, is under considerable pressure from his own Right wing to repudiate any suggestion that the Socialists would join any Government which excluded the Social Democrats.

● The situation in the Azores was also causing considerable concern in Lisbon. The local administartion, which is led by the conservative General Altino de Magalhaes, issued a statement denouncing the "latest politico-military events in Lisbon." The administration warned that it would take all possible measures to ensure that the people of the Azores enjoyed "peace, work and the individual liberties necessary for a democratic life."

The statement was seen here as having raised once again the spectre of some move towards secession by the Azores, which served as a vital staging post for the American airlift to Israel during the Yom Kippur war.

Bomb attack

An Azores liberation front has been extremely active in the islands recently and was believed to have been responsible for a bomb attack in the early hours of to-day on the Socialist Party headquarters in the town of Ponta Delgada.

Reuter reports: Foreign Minister Ernesto Melo Antunes to-day cancelled planned official visits to Hungary and Belgium this week owing to "the gravity of the internal political situation" in Lisbon, a Foreign Ministry statement said.

French recovery sets off renewed trade deficit

BY RUPERT CORNWELL

PARIS, Nov. 17.

THE beginning of a recovery of the French economy is already sufficient to damage the country's hitherto impressive trade surplus, but is not great enough to prevent the increase in unemployment.

This is the clear message of separate but equally cheerless sets of statistics, published this afternoon by the Government. While France's trade balance showed a deficit of Frs.1.58bn. (£175m.) in October, unemployment by the end of that month had crossed the 1m. barrier to stand at a post-war record of 1.02m.

Of the two, it is probably the unexpectedly rapid deterioration in the external accounts which will be causing most concern here. As Trade Minister M. Norbert Segard pointed out, the total surplus so far this year still exceeds Frs.7bn. (£770m.), while the unadjusted October deficit was only Frs.134m. (£15m.).

But he did not conceal that the months of big surpluses had almost certainly disappeared for some while, and he urged the need for further cuts in consumption of energy and other raw materials.

For the moment France looks to be in a slightly awkward position on the foreign trade front. While its own recovery, essentially consumption-led, is sucking in extra imports, exports to other industrial nations, many of whom are still deeper in recession than itself, are likely to stagnate.

That at any rate is the trend discernible in October's returns. While exports fell slightly to Frs.18.2bn. from Frs.18.5bn. imports rose sharply to Frs.19.7bn. from Frs.18.4bn. The ensuing deficit, however, was still smaller than that of Frs.2.3bn. registered in October, 1974.

The bad unemployment news had been expected and publicly admitted by Ministers for many weeks now. Last month's rise of 70,000 was barely half the September increase, although the latter figure was swollen by the arrival of school-leavers on the labour market for the first time.

In the meantime vacancies are still contracting to barely 104,000 from 114,700 in September although, the Labour Ministry reported, the number of people placed in jobs last month actually rose to 223,700 from 174,800.

As government and industry admit, the main obstacle to-day in making a dent in unemployment is that companies throughout the recession have laid off considerably fewer men than economic circumstances strictly justified. The consequence is that in the early stages at least of the upswing, new demand will be met by putting workers back on full time from either temporary lay-offs or reduced hours.

That things are on the mend is no longer seriously doubted, although it is consumption rather than exports or investment which is making the running. September's industrial production index, showing a further drop in output to 109 from 110 (on the basis of 100 in 1970) is confidently expected to be the lowest point of the trough.

Prime Minister M. Jacques Chirac once again boasted last week-end that France after being among the countries last hit by the depression would be one of the first out of the wood.

French Communists bow to Italian view

BY ANTHONY ROBINSON

ROME, Nov. 17.

IN A JOINT statement issued here to-day after two days of talks between French Communist Party Secretary Georges Marchais and Italian Party Secretary Enrico Berlinger, the two parties declared themselves unequivocably in favour of a pluralistic political society and the need to defend and enlarge both bourgeois and popular liberties.

The lengthy document bears all the signs of substantial concessions by the French party to the Italian party's vision of achieving power at the head of a broad alliance of democratic social and political forces within the context of free elections and the widest possible guarantees for political and personal liberties.

Indeed the long list of liberties scrupulously written down in the document is so exhaustive that it will be interesting to see just how much of the document is published in Pravda and in the Communist Press of Eastern Europe. It certainly goes far beyond the usual generic reference to democratic rights and includes that "free circulation of persons internally and abroad" so recently denied to Mr. Sakharov. As such, the document clearly represents another public act of independence from the Soviet Union of a kind to which the Italian party has become increasingly accustomed but which represents a considerable advance along this path for the French Communist Party, which hitherto has been considered far closer to the Soviet line.

One of the most recent points of divergence between the Italian and French parties has been over their respective interpretations of events in Portugal. Lately, however, the French party has toned down its former strong support for Alvaro Cunhal and moved much closer to the critical line taken by the Italian party, which all along has urged the Portuguese party to moderate its hard line and co-operate loyally with the Socialist party led by Mario Soares.

Thus the joint document refers in four lines to the situation in Portugal, expressing "concern for the difficulties faced by the youthful democracy and hope that all the workers and democratic forces refind their unity of action in the fight to bar the path to the forces of reaction."

Sig. Marchais visit to Italy closely follows the visit of Socialist Party Secretary François Mitterrand.

Interestingly enough, the Italian Socialists are interested in M. Mitterrand because his party has managed to overtake the French Communist Party as the leader of the Left in France, while the French Communist Party is interested in the electorally successful line of Sig. Berlinguer, which has made the Italian Communist Party not only the leader of the left but arguably the Italian political leader tout court.

Leone goes to Moscow to-day

ROME, Nov. 17.

ITALIAN President Giovanni Leone leaves to-morrow for Moscow on what officials describe as a "routine" State visit.

However, controversy has arisen here over the week-long trip following the Soviet authorities' refusal to allow dissident physicist Andrei Sakharov to collect his Nobel peace prize in Oslo.

Several parliamentarians have asked President Leone to intercede with Soviet leaders on Mr. Sakharov's behalf. More than 100 MPs from the ruling Christian Democrat Party signed a letter this week-end denouncing the Soviet régime as an "iron and illiberal dictatorship."

Reuter

Russian psychiatric 'treatment' criticised

By David Buchan

THERE ARE at least 1[...] political and religious priso[...] in the Soviet Union, accor[...] to a study* published by Amn[...] International yesterday. [...] report, according to Mr. D[...] Simpson, director of Amne[...] British section, is the orga[...] tion's most comprehensive [...] on a single country.

The principal concern of [...] report, which is published [...] English, French, Ger[...] Spanish and Dutch, is with [...] seven or eight Soviet psychi[...] hospitals where, the report [...] about 130 political priso[...] have been confined by c[...] order since 1969 for "med[...] treatment." This does not incl[...] others sent there for prolo[...] diagnosis rather than "t[...] ment," the report says.

Mr. Simpson said that c[...] pilers of the report had caref[...] eschewed "exaggeration one [...] or another," and another mem[...] of the Amnesty staff said [...] had not drawn extens[...] from Alexander Solzhenits[...] evidence about the Gulag c[...] of camps because that la[...] concerned the Stalinist era [...] because the situation had [...] better since then.

He said there was at least m[...] reference now to Soviet law [...] the punishment of polit[...] prisoners.

Amnesty said that it had [...] cooperation or response from [...] Soviet authorities, but that [...] report would be translated [...] Russian and a few copies [...] patched for the perusal of [...] Moscow authorities. Amn[...] said it still hoped that its rec[...] mendations for penal refo[...] starting with a public discus[...] of the present system, m[...] achieve some change.

Many of the more strong-wi[...] and stubborn prisoners [...] sent to psychiatric hospi[...] rather than the usual correc[...] labour camps, even though t[...] had no record of viol[...] activity, the report says. W[...] a person was suspected of be[...] "mentally ill," he was not c[...] denied any right to affect [...] legal or medical decisions m[...] in his case, but he need not e[...] be told of them until the mom[...] he is sent to confinement i[...] psychiatric hospital.

Once there, the report says, [...] "patient's" sentence can [...] indefinite, as the authori[...] often told protesting relati[...] and friends that "seeming [...] mality" was not the deci[...] criterion of mental health. [...] report cites the case of Leo[...] Plyushch, a Ukrainian cybern[...] cist arrested and hospitalised [...] "creeping schizophrenia" [...] offical diagnosis often made [...] sensitive cases), whose hea[...] the report says was grea[...] damaged by the medically unj[...] tifiable use of powerful drugs.

*Prisoners of Conscience in [...] USSR: Their Treatment a[...] Conditions. Amnesty Internatio[...] Publications 53, Theobalds Ro[...] London WC1X 8SP, 85p.

Prize fuss lingers over Goncour[...]

BY RUPERT CORNWELL

PARIS, Nov. 17

FRANCE'S most celebrated prize for writers, the Prix Goncourt, was awarded to-day—but in circumstances more suited to a bitterly fought Miss World contest than to a supposedly dignified literary occasion.

The 10-man selection panel chose this year's winner in the plush setting of the Drouant Restaurant under police guard after a month-long run-up that has seen bombings, charges of corruption, and a Left-Right split in the publishing and writing world over the process of distributing such prizes.

Already one dissident author is in prison facing charges of arson and of carrying illegal weapons, in connection with a bomb attempt against the home of a Goncourt judge. Only last night explosions destroyed part of the Grasset publishing house offices on the Left Bank, but no one was hurt.

Responsibility was later claimed by a so-called Group of Revolutionary Artists. Another protest organisation subsequently announced that it would award an anti-Goncourt prize in a week's time.

This year's winner, *La Vie devant soi* (Life Ahead of Us), was in fact widely tipped by critical pundits. Its author, however, who operates under the pseudonym Emile Ajar, has added to the prevailing confusion by insisting that should his identity be revealed he will never write again.

The basic controversy surrounding the Goncourt—which has been simmering for many years—is that while it guarantees a best-seller, with sales of 300,000 copies or more to the victor, it has never been a g[...] judge of lasting literary wor[...] Since its inception in 1903 o[...] Proust and Malraux of [...] country's acknowledged [...] writers have won, while s[...] classic authors as Gide and [...] Montherlant have failed.

To make matters worse op[...] nents of the Goncourt say t[...] candidates politically suspect [...] controversial are rarely c[...] sidered, while publishing hou[...] use all means, often more f[...] than fair, to secure success.

Few in fact would deny th[...] is some truth in this charge, [...] those who defend it argue t[...] the annual prize-giving ri[...] however squalid, gener[...] enough public interest to ens[...] that many more novels see t[...] light of day than would oth[...] wise.

Italian unions draw up pay demands

By Tony Robinson

BONN, Nov. 17.

AFTER FOUR days of intense debate, 1,200 delegates representing 1.4m. Italian engineering workers have finalised the list of demands which they want to see incorporated in the new three-year national labour contract for this key sector of Italian industry.

The new "platform" has been heavily conditioned by the current recession, by the acknowledged priority of employment over demands for higher salaries and by demands for union participation in the investment decisions affecting the industry.

On salaries the unions are asking for a flat L30,000 (£22) per month gross increase for all workers, plus an L8,000 threshold payment adjustment for an unchanged 40-hour week.

In southern Italy the unions have reiterated their proposal for a three-shift ssytem and 36-hour week, to enable plant to work 18 hours daily for six days a week, in return for the higher overall employment stemming from three shifts of six hours each.

One of the principal arguments during the four-day debate has been the question of labour mobility within and between plants. This is one of the principal demands made by management. The unions appear to have agreed in principle to a greater degree of mobility, but only after consultation and with precise guarantees

W. German steel workers settle for 6% pay rise

BY NICHOLAS COLCHESTER

BONN, Nov. 17.

'EST GERMAN industry's first age agreement in this year's ›und of wage negotiations was ·ached over the week-end with ı increase of 6 per cent. The 20,000 workers of the steel dustry in the Ruhr and in remen will receive this rise om November 1.

The last quasi-official economic recast—the combined report of e major economic institutes—timated that German consumer ice inflation in 1976 would be 5 per cent. The steel agreeent thus provides the Ruhr eelworkers with only a nominal crease in real wages next year. The metal workers' union, IG etall, said that the agreement akes account of current econo·ic circumstances in the steel dustry." The metal industry nployers' federation added that the settlement could not be carried over into other areas of the metal-working industry because they were more sensitive to a rise in labour costs than was the steel industry.

Most outside observers must find this wage agreement a model of restraint, of the close co-operation between German unions and German management, and of the success with which West Germany has coped with world inflation. The German scale of values is different. Managers here are not congratulating the steel industry on a restrained agreement, they are asking whether the rest of industry can stand even this increase in wage costs.

That this is so is a measure of the extent to which the concepts of cost-push inflation and of international wage-cost competitiveness have penetrated the thinking of both managements and unions in West Germany. The psychological pressure for a moderate round of wage settlements this year has been so great in recent months that this week-end's news is really no surprise.

Next week managements, unions and the Government come together in Bonn for their annual session of "concerted action," in which the economic problems of the moment are identified and a common course in solving them is plotted. There the pressure for wage restraint will be further intensified, with renewed statements on the need for greater profits to finance more investment to get most of West Germany's 1m. unemployed back to work.

EEC gets Rambouillet details

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

BRUSSELS, Nov. 17.

JEAN-PIERRE FOURCADE, ›e French Finance Minister, to-ght revealed further details of ›e Rambouillet exchange rate reement, which he said would ›rt operating as soon as the S. Federal Reserve joined the w system alongside the cen-ıl banks of Western Europe d Japan. No more technical oblems remained to be settled, said.

The key point of the new-stem would be to counter ·atic exchange rate movements central bank intervention to ›rect the rate between the dol- and the West European rrency "snake." M. Fourcade d journalists after to-night's C Council meeting here. There uld be no interference with nuine medium-term trends, ch as the downward movement the pound, he stressed.

The French Minister said that order to work the system ere would be daily consulta-ns between central banks, ekly consultations between finance ministers' deputies and monthly or six-weekly contacts between finance ministers. The finance ministers would be the final court of appeal in the event of disagreement over the level of exchange rates to be defended.

M. Fourcade gave the recent movement of the French franc as an example of an "erratic" exchange rate variation. From a level of four francs to the dollar the franc had moved up to 4.60 and then back to 4.35, in spite of the long-term tendency of the dollar to strengthen, he said. The right level would be somewhere around 4.50 or 4.60.

After a period of moving downwards, the franc had started a medium-term move upward from mid-1974. While sterling was in medium-term decline, the Italian lira was on the way up and the dollar tendency was slightly upwards.

The definitive new system, with "stable but adjustable" exchange rates, would be introduced as soon as economic circumstances permitted by means of an 85 per cent. majority in the International Monetary Fund (giving the U.S. a veto), M. Fourcade continued.

Meanwhile, during an interim period, countries were free to use any exchange rate system they wanted provided it came under fund supervision.

After briefing the five EEC countries not present at Rambouillet, M. Fourcade said they had shown no bitterness over not being invited. The uninvited countries have in the past expressed considerable concern at the lack of proper Community representation at such gatherings.

Diplomats from the smaller countries to-day said that their governments would be worried if there were moves to "institutionalise" the six-nation summit by holding similar meetings regularly in the future. But with the Rambouillet talks over, they did not seem inclined to make a major fuss here to-day.

Britain for one, has in any case made it clear that economic and monetary summits should not be turned into permanent institutions.

Meanwhile, M. Fourcade repeated his view that the Swiss franc should not be allowed into the "snake" until stronger controls had been placed on currency operations by Swiss residents, in addition to those on non-residents. The other countries could not take the risk of allowing the "snake" to be dragged up by the Swiss currency, he told journalists.

'Convenience' ship boycott

BY HILARY BARNES

COPENHAGEN, Nov. 17.

E NORDIC transport unions n to boycott ships flying flags convenience, it was announced e after the week-end meeting representatives of the Danish, nish, Norwegian, and Swedish ions. The boycott will take ect from May 1, 1976.

The unions will refuse to ndle cargoes from ships of the ions concerned until the seamen on board are awarded wages and working conditions comparable with those applying on European ships.

The action will take place in co-operation with the International Transport Federation in London, and the Nordic unions said they hope that unions in other European countries will join the boycott.

EAST EUROPEAN LABOUR

A drive against sluggards

BY PAUL NEUBURG

EASTERN EUROPE is in the throes of a campaign for tighter labour discipline, less absenteeism, more shift-work at unpopular hours and during week-ends, and pledges by the labour force to undertake extra work. Czechs are being treated to radio reports on the labour discipline drive in Poland, presumably to make them feel less bad about the campaign they themselves have to endure. Communist leaders are daily urging the people to work harder and save materials to help see their countries through a period of economic difficulties. Financial sanctions are also being applied to strengthen discipline.

"The last to fight—the first to sit at the table," is the Romanian saying President Ceausescu applied to shirkers in an acid passage of his speech to the 10th Congress of the country's Communist Youth Union on November 3. He called on his countrymen instead "to work passionately, with skill and perseverance," to "achieve prosperity for the broad masses and for society as a whole."

It was high time, Mr. Stanko Todorov, the Bulgarian Prime Minister, said in a recent speech, that "people became aware of the fact that exaggerated consumer aspirations and petit bourgeois attitudes are not socialism." Acknowledging the effect global trends were having on the economy, he promised measures to see that everyone worked according to his capacities, and that machinery, resources, and hours of work were fully utilised.

The season of party congresses, due to open with the Polish congress in early December and to include between then and next May those of the Bulgarian, Czechoslovak and East German parties, has been preceded by a season of extra work pledges from factories. Though pinned to a special occasion, the campaign is likely in some form or another to become permanent, to judge by the example of Hungary. There the party congress was held last March, but the "socialist labour competition" begun in its honour is still on.

> The season of party congresses . . . has been preceded by a season of extra work pledges from factories.

The regimes are risking the attendant unpopularity for two main reasons. One has to do with Eastern Europe's need to make up for the heavy losses it has suffered in its terms of trade with the rest of the world. The other is the manpower shortage, which is going to become much worse as the effect of a drop in birth-rates, that began in the late 1950s, reaches the labour market.

Every East European economy is reeling from the impact of commodity price increases both in the West and, from last January onwards, within Comecon too, where the Russians are the main beneficiaries. A country like Hungary, which depends on foreign trade for nearly half its national income, underwent a 13 per cent. deterioration in its terms of trade last year, and expects a further 5 to 6 per cent. worsening in 1975. Subsidies to cushion the consumer from the full effect of import price rises cost the state budget about a third of its expenditure on the economy in 1974, and will, despite internal price increases, eat up even more this year.

Although Hungary plans to reduce the burden of subsidies through periodic price increases starting in January, it cannot risk trying to recoup the whole of the increase in its import bills from the consumers' pockets. It hopes instead to meet a major part of the cost from increased productivity and efficiency in the economy.

There is at the same time a recognised need to reduce what is known as "unemployment within the factory gates" throughout Eastern Europe. Labour shortage is seen as a major factor retarding economic progress in every country from Bulgaria to Poland. The effect of campaigns to raise birth-rates, successful as they have been in the past two years in countries such as Czechoslovakia and Hungary, will not begin to help the situation until the 1990s. Meanwhile, economists confidently estimate that some 25 per cent. of working time remains unused, even in such a relatively well-organised country as Czechoslovakia, and elsewhere in Eastern Europe estimates range higher still.

Some of this has to do with sheer idleness. "What are you waiting for?" a TV reporter asked one of five workmen sitting around at a roadworks on a major intersection in the Polish city of Lodz. "Nothing," the man said. "We just lit a cigarette." "Must have been a terribly long one," said the reporter. "We passed in our car and saw you sitting. When we came back half an hour later you were still sitting."

Absenteeism is another major drain. In part, people revenge themselves for the inefficiencies of the system by spending as much of their working day as necessary on shopping around for what they need from a decent chunk of meat to the right size pair of shoes. But just as often absentees take time off to begin a week-end early, or finish it a day late, or to "rest" in cafes or at the swimming pool.

Added to these factors is the habit of managements of raising output by employing more people instead of improving organisation. With all enterprises crying out for labour, turnover is high, and workers choose the least taxing conditions and hours.

However, the main burden of the present campaign to tighten discipline and make full use of working hours falls on managements. The media give propaganda support, together with the trade unions, and the factory organisations of the party. But it is managements themselves which are now having to draw up detailed plans for increased productivity through harder work, "up-date" production norms, and see that medical certificates are checked, and sluggards disciplined.

This task has fallen to them at a time when the current rise of working class living standards is expected to slow down. In Hungary, where incomes this year have grown by over 11 per cent., wage increases averaging over 6 per cent. will be subject to 150 per cent. taxation levied on the over-generous enterprise, from next year on. Bonuses of over 2 per cent. of the annual pay fund will attract no less punitive taxation.

Communists may agree on summit date

BERLIN, Nov. 17

COMMUNISTS FROM East and West gathered in East Berlin to-day for what could be the final preparatory meeting for a long-planned European Communist conference, informed sources said.

There was no immediate official confirmation of a new meeting designed to put the finishing touches to a conference document. But several delegations were reported on their way or already here.

The sources said talks would begin either late this afternoon or to-morrow and probably last two days. If all parties can agree on the content of the proposed document, they will be able to set a date for the first European Communist conference since 1967.

The original plan was for East Berlin to stage the conference

Reuter

Living standards in Comecon are analysed

BY LESLIE COLITT

BERLIN, Nov. 17.

EAST GERMANY, Czechoslovakia and Hungary are the three Comecon countries with the highest standard of living as measured by individual consumption of foodstuffs, textiles and durable consumer goods.

An analysis by the West German Institute of Economic Research shows the Soviet Union, Poland, Bulgaria and Romania remain in the less privileged group. The West German economists chose a per capita consumption yardstick as they could find no common monetary denominator among Eastern currencies to enable comparisons in purchasing power.

The gap between more and less prosperous countries within Comecon is found to be greatest in consumption of industrial consumer goods, less so in foodstuffs and clothing. In the case of meat products, Czechoslovakia led the seven Comecon countries with consumption per person at 77.3 kilograms. In 1973 the others ranked as follows: German Democratic Republic 74 kilograms, Poland 70.5, Hungary 63.2, Romania 55, Bulgaria 52.4 and the Soviet Union 52. By comparison West German consumption was 79 kilograms in the same year.

In textile staple goods consumption some Comecon countries such as the GDR consume almost as much per capita, 18.3 kilograms, as West Germany, 19.7 kilograms. But the percentage of synthetic fibres in total consumption lies between 8.3 per cent. in the Soviet Union and 20.3 per cent. in Poland. The average West German consumes 38.6 per cent. in the form of synthetics.

In spite of high prices for durable consumer items they are now becoming widespread throughout the Comecon area. In the GDR, Czecholsovakia and Hungary nearly every household is to have a refrigerator, washing-machine, and television and radio set by the year 1980. Measuring the degree to which households were supplied in 1973 the Institute says that the quality of the goods could no be taken into consideration.

The GDR and Czechoslovakia lead the Socialist countries in consumption of nearly all durable consumer products. Thus, 21.4 out of 100 GDR households owned a car in 1973. In Hungary the figure was 11.9, in Poland 7.7, Bulgaria 7.0, Soviet Union 4.2 and Romania 3.8. The figure for West Germany was 55.

The West Berlin-based Institute suggests that the differences in levels of consumption among Comecon countries is difficult to measure for their citizens. "More important," it says, "is that the population must be convinced things are progressively improving within the country." It cites official Hungarian findings that the annual growth in consumption must be at least 3 per cent. in order for the consumer to regard it as a rise in his standard of living.

The analysts say that a reduction in the rate of growth of consumption in Comecon countries can be expected in the near future. This would be the result of higher prices for raw materials affecting nearly all Comecon countries with the exception of the Soviet Union.

On the other hand, ideological barriers to an expansion of the consumer sector of the economy are fast falling. "Rational norms" laying down an optimum level of consumption for various goods are being challenged. The view that demand is not static but instead grows and changes with income is said to be gaining in many Comecon countries.

The West German study no longer finds evidence within Comecon of a "Socialist model of consumption" in spite of all prior attempts to create one. When they can afford it, it concludes, consumers in Socialist countries act in much the same way as in Western industrial societies.

President Julius Nyerere of Tanzania begins a state visit to Britain to-day.
Bridget Bloom, Africa Correspondent, reports on

A troubled relationship

MR. JULIUS NYERERE arrives in London to-day on a three-day state visit to Britain. The Tanzanian President, at the head of his country's affairs for 13 years, is one of Africa's best known leaders and is highly esteemed throughout the Third World. His country was one of the earlier African members of the Commonwealth while he himself, a regular attender and eloquent speaker at its summits, is now one of the Commonwealth's elder statesmen.

It is not difficult therefore to see why President Nyerere has been invited to-day. Perhaps the real question should be why not before? State visits are full of pomp and protocol and cannot be all pleasure for the participants. But they are one way of recognising the importance of a foreign country and its leader. Since Tanzania's independence in 1962 other African leaders, including many with lesser ties with Britain, have made state visits here. How is it that Britain has taken so long to invite Julius Nyerere?

The main reason is that for most of the last 13 years there has been a whole series of misunderstandings between Dar es Salaam and London, most of which, in retrospect, were quite unnecessary. At one point, relations between the two countries were actually broken. Aid promised and negotiated was cut off and—despite the resumption in relations—was then held in suspense for almost ten years.

Although there is obviously blame on both sides, the sad state of affairs reflects particularly badly on Britain. In many respects it is a classic case of how not to conduct a post-colonial relationship. Unlike Nigeria, or even Kenya, Tanzania has never been especially important economically for Britain—in the mid-1960s trade was worth some £37m. in both directions, with Britain importing sisal and some other agricultural commodities and exporting a general range of consumer and capital goods.

But while this was useful, Tanzania's importance was elsewhere. Whether or not it has been successful Tanzania, led by President Nyerere, has over the last decade been one of the few African countries which has genuinely tried to reform the colonial institutions and structures it inherited in order to make them more suitable to the post-independence conditions. Tanzania has also been in the forefront of African emancipation—particularly that of the Blacks in Southern Africa under White domination.

It is these two aspects of Tanzania and their implications which successive British Governments and some of their officials have largely failed to understand. As a result relations have all too often been conducted in a petty and obdurate manner. This might have mattered less had Tanzania been as insignificant politically as it was (broadly) economically, but the failure to understand Tanzania and its objectives meant that at certain crucial points Britain has also failed to understand what motivates much of the rest of Africa.

For most of the last 13 years there has been a whole series of misunderstandings between Dar es Salaam and London, most of which, in retrospect, were quite unnecessary.

Two examples illustrate the point. Tanzania has always been implacably opposed to White minority rule in southern Africa, and it was because of Mr. Wilson's failure to cope with Rhodesia that Tanzania broke relations (along with seven other African countries) in late 1965. The decision was widely seen (even in some parts of Africa) as hasty and Mr. Wilson was naturally angered by Tanzania's impatience with what he and most of his government saw as their genuine attempt to solve Rhodesia peacefully.

But the reaction of the British Government marked the beginning of a long period of British failure to understand African policies towards Rhodesia, Portuguese colonialism and South Africa. Tanzania's action in breaking relations—like so many of President Nyerere's critical speeches over the years—had one main aim. That aim was and still is to get those countries with influence in southern Africa to push the White minority governments into peacefully sharing power with the majority. The action was not—and President Nyerere has never been—anti-British, although this was the interpretation all too often favoured by Whitehall and Westminster. Mr. Heath, and his then foreign secretary, Sir Alec Douglas Home, particularly chose to see it in this light. No one who was at the 1971 Commonwealth summit in Singapore can forget the anger of the two Conservative ministers with President Nyerere as he criticised the Conservative Government's bid to sell arms to South Africa.

Mr. Heath rapidly recognised General Amin as the man who had overthrown Ugandan President Obote, one of Nyerere's close associates, and like him an implacable opponent of British arms sales to South Africa. That recognition, as most would now agree, was short-sighted and its results hardly in Britain's interests.

Secondly, Tanzania and Zambia's desire to build a railway linking their two countries, as an alternative for Zambia to the transport route through Rhodesia, was looked on unsympathetically in Britain. When the two countries gave up hope of western finance and went to China, Tanzania, in particular, was branded as communist.

The other main bone of contention between Tanzania and Britain has been economic, in particular Tanzania's decision, beginning in 1967 with the now famous Arusha Declaration, to nationalise foreign-owned business and property. In such circumstances there is an inevitable and understandable conflict of interest between a developing socialist economy and established foreign business which both sides, if they are sensible, will acknowledge. For its part, Tanzania's action was taken for reasons now familiar in Africa that it wanted to control its economic as well as its own political destiny. Compensation was offered, and certainly in the first round of nationalisations, which included the banks and certain industries, was accepted and promptly paid.

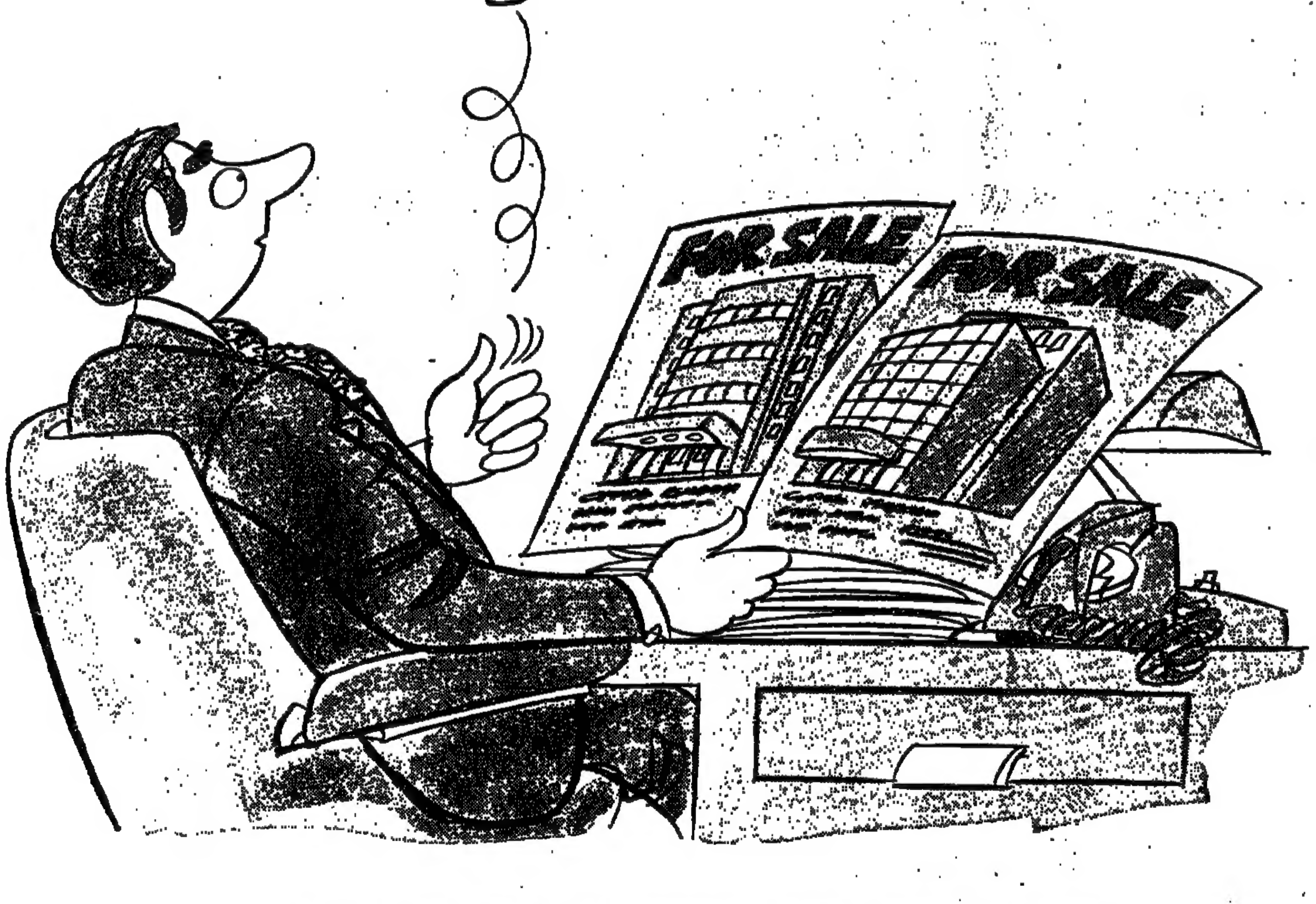
Perhaps it was that Tanzania was among the first to nationalise foreign concerns (when Zambia took over its much larger foreign-owned copper industry there were far fewer political problems); perhaps it was the political relations, by the time the second and third round of takeovers occurred, had already deteriorated beyond immediate recovery. The fact is, however, that by 1971, when Tanzania announced that it was taking over certain categories of private property (principally farms, and office and house buildings rented out by their foreign owners) not only were aid negotiations stopped but *(apparently on orders from 10, Downing Street)* Britain twice endeavoured to hold up World Bank developments loans to Tanzania.

(Ironically, on this occasion, one of the largest companies for which the Conservative Government was demanding compensation was Lonrho. Well able to look after itself in Africa, the company did not apparently ask for such support, but Tanzanians had some wry comments to make two years later, when Mr. Heath produced his famous phrase about the "unacceptable face of capitalism").

However, sad though the history of Anglo-Tanzanian relations might be, the problems of the past, as to-day's visit shows, are being overcome. Some £10m in British aid, plus an additional annual £1m. for technical assistance, is already agreed, the last of the compensation problems should be solved during the President's visit, and Britain and Tanzania have been co-operating in the attempt to find a peaceful *solution to Rhodesia. As for* Tanzania itself, the British Government, and the City (for President Nyerere is to speak at the Guildhall on Wednesday) will no doubt learn over the next few days that it is one of the poorest African states, desperately affected by recurring droughts, by the world recession, and by increased oil prices.

President Nyerere, a remarkably honest and frank politician, is the first to admit Tanzania's current difficulties, as well as its mistakes over the past 13 years of independence. Inevitably there are many mistakes—while it has had its enemies, Tanzania has often not been well served by its friends, some of whom have gone overboard in praise of the *Ujaama* collectivisation or of other attempts at reform, forgetting that the price has often been high and that Tanzania—with its share of political prisoners—is not necessarily the bastion of all that is best in Africa.

But those who know Tanzania and its President can only be pleased that Anglo-Tanzanian relations are back, at last, on a good footing. Despite its faults and problems, Tanzania remains one of Africa's key states. And despite his mistakes, President Nyerere, with his clarity of thought and his determination to say, uncompromisingly if elegantly, precisely what he thinks, is one of Africa's outstanding leaders.



Japan running overall payments deficit of $800m

BY CHARLES SMITH

TOKYO, Nov. 17

JAPAN ran an overall balance of payments deficit of $800m. in October, the highest figure since January, and a sharp increase on the previous month's $104m. deficit.

A large part of the change, however, was due to a shift in the short-term capital account and to "errors and omissions" from a $212m. surplus in September to a $330m. deficit.

The basic balance, which excludes short-term movements, was in deficit by $470m., reflecting a continued long-term capital outflow and an invisibles deficit which more than offset the comfortable surplus on Japan's visible trade.

Long-term capital outflow in October amounted to $30m., reflecting net selling by foreign investors—a shift from the fairly heavy purchasing of Japanese bonds by foreigners earlier in the year.

The invisibles deficit for the month, composed of net expenditure on tourism, freight, insurance and similar items, amounted to $490m., a slight increase on the September figure.

Japan's visible trade surplus in October amounted to $350m., compared with the September figure of $412m. As in previous months, both imports and exports were running below the levels of a year ago, with exports down by 11 per cent. from the October, 1974, figure to $4,760m., and imports down 3 per cent. to $4,410m. These percentage falls are actually somewhat greater than those of September, when exports were down only 4.1 per cent. from a year ago and imports fell by a mere 0.6 per cent.

However, the trend towards *gradually recovering on both* sides of Japan's trade account seems to be confirmed by the seasonally adjusted trade figures for October.

According to these, exports in October were running 8.8 per cent. ahead of the September figures, while imports were up by 1.1 per cent. Figures for export licensing, which give some indication of export trends over the next three to four months seem to confirm the view the long decline in Jap[...] foreign trade is gradually nea[...] its end.

Export licences approved [...] the Ministry of Internati[...] Trade and Industry for Oct[...] at $5,345m. were 6.9 per c[...] below the level of a year ago, [...] had passed the $5,000m. level [...] the first time in three month[...]

One reason for the appa[...] recovery of demand for Japa[...] exports could be the yen [...] change rate, which has stoo[...] over 300 to the dollar since [...] middle of September.

The yen was markedly wea[...] September and required h[...] support by the Bank of Ja[...] which may have spent a [...] approaching $800m. during [...] month on the foreign exch[...] market.

During October, the ma[...] appears to have steadied [...] siderably, but the Bank of J[...] has evidently been in no h[...] to see the exchange rate c[...] back below the 300 level.

OPEC row likely after Iraq mov[...]

BY RICHARD JOHNS

A SERIOUS row within the Organisation of Petroleum Exporting Countries was threatened yesterday by a public call by Iraq for a special conference of the cartel to discuss differences between it and Kuwait over oil pricing.

In an unprecedented use of official media in such disputes, the Iraqi News Agency reported on Sunday that Kuwait's decision to lower its oil price would "create disruption on the oil market and inspire competitive bidding among oil producers." Announcing the call for an OPEC conference yesterday, INA said: "Kuwait's decision is likely to have a direct impact on Iraq, imposing increased pressure on Iraq's oil prices, its exports and economic development."

Last night Mr. Abdel-Wahab al Nasisi, Kuwait's Deputy Minister of Oil, replied that the decision to reduce the price of the State's 31 degree medium-heavy crude was only taken after other Gulf producers had failed to respond to Kuwait's invitation to meet and discuss the vexed problem of differentials last month.

The row broke as OPEC Finance Ministers met yesterday in Vienna to draw up plans for an aid fund to help developing countries pay for their oil imports. To-day in Geneva other chief delegates to OPEC, including Sheikh Ahmed Zaki Yamani of Saudi Arabia and Dr. Jamshid Amouzegar of Iran, begin talks on strategy to be pursued in the dialogue between representatives of the industrialised countries and developing nations, including the oil producers.

As for Iraq's call for an extraordinary conference, it is believed that other members of OPEC will be in favour of postponing detailed discussions of the issue until the next regular scheduled OPEC meeting in Vienna starting on December 20. It was already expected that talks on differentials in the price of crudes should be resumed then.

Kuwait's 10 per cent. cut meant, in effect, that the increase for its crude oil—not the most attractive because of its weight and relatively heavy sulphur content—was raised by 9 per cent. over the September level rather than the 10 per cent. rise agreed on at the last O[...] conference. Saudi Arabia [...] adjusted the price of its [...] degree Arabian Heavy by [...] than the prescribed amount.

After seeing the product[...] from its main fields which [...] operated by British Petrole[...] and Gulf (40 per cent. sh[...] holders in the Kuwait Oil C[...] pany), rise to 2.4m. barrel[...] day the State witnessed a dra[...] fall in output in September [...] a level believed to be only 1.[...] b/d.

The main reason for the [...] producers' meeting called [...] Kuwait being called off was S[...] Arabia's opposition on [...] grounds that all OPEC diffe[...] tials should be thrashed ou[...] the same time.

The Finance Minis[...] assembled in Vienna amidst s[...] doubts as to whether S[...] Arabia would at this stage [...] port a collective aid fund. It [...] also revealed that Kuw[...] Nigeria and Algeria were putt[...] forward proposals in addition [...] the publicised plans of Iran [...] Venezuela.

MPLA admits shellfire in Sout[...]

BY JANE BERGEROL

LUANDA, Nov. 17

AMIDST reports, unconfirmed *officially for security reasons,* of more shipments of arms coming into Luanda for the People's Movement for the Liberation of Angola, military sources here to-day said MPLA troops in Novo Redondo were now under shellfire from enemy forces.

The shellfire is coming from at least a part of the column of FNLA-UNITA troops led by South African and Portuguese mercenaries that has pushed up from southern Angola and captured Benguela and Lobito about ten days ago.

The column constitutes the *gravest military threat to MPLA* forces and there is speculation that it may have split into several smaller groups for a multi-pronged attack against the MPLA southern flank, as it split following the capture of another southern town.

Meanwhile, the MPLA is assessing the importance of yesterday's decision by the American Congress not to approve continuing U.S. military aid to Zaire. U.S. military aid in arms and technicians to Zaire was the vehicle for indirect Ameri[...] *military assistance to Hol[...]* Roberto's Zaire-based Natio[...] Front for the Liberation [...] Angola and future suspensio[...] such American military [...] could substantially reduce [...] aid in armaments going to [...] FNLA UNITA government [...] Nova Lisboa.

The state of the fighting o[...] a week after independence, [...] apparently sufficiently w[...] matched for MPLA command[...] to be feeling reasonably co[...] dent.

No real recovery possible, says Fraser

BY KENNETH RANDALL

CANBERRA, Nov. 17.

The caretaker Prime Minister, Mr. Malcolm Fraser, claimed in a nationwide radio and television appearance tonight that the economy was in worse shape than the dismissed Labor Government had been prepared to admit.

But despite earlier indications from other Ministers, notably the new Treasurer, Mr. Phillip Lynch, Mr. Fraser did not accuse the Labor Government of suppressing relevant information and produced few new facts.

"As a result of the material now available," he said, "in our view, under Labor's policies, no real recovery was possible. The recovery is a myth. The economy is not coming out of its recession.

The former Labor Treasurer, Mr. Bill Hayden, has already strongly refuted the new admin*istration's interpretation of the* economic situation. And the Treasury itself pointed to a number of promising trends in its monthly "rund-up of economic statistics," published last Thursday.

Mr. Hayden says that the personal papers he has retained from his job as Treasurer will be used, if necessary, to back up his refutations of the Government's current claims. He has begun legal action against Liberal party Ministers w[...] accused him of "stealing" [...] papers in question.

Lack of anything new in [...] Fraser's address to-night see[...] likely to do little for his effo[...] to promote the state of [...] economy to first place amo[...] the issues for the election ca[...] paign, officially opening ne[...] week.

It reflects more the battle [...] the mass media, which h[...] already become a striking featu[...] of the campaign. Mr. Lyn[...] made a public protest last we[...] when the Australian Broadca[...] ing Commission chose to hi[...] light, in its news bulletins, [...] more optimistic side of the late[...] Treasury bulletin rather than [...] own, more gloomy interpretatio[...]

USSR restores relations with Uganda

By Our Own Correspondent

MOSCOW, Nov. 17.

THE SOVIET UNION, apparently having patched up its differences with President Amin, announced to-day it had restored normal diplomatic relations with Uganda after suspending them six days ago.

The official Tass news agency said a decision to resume regular ties came after "an exchange of opinions" between Moscow and Kampala. It gave no other details. Soviet support for the Marxist liberation group that declared independence in Angola last week sparked President Amin's dispute with the Kremlin, his main supplier of weapons.

He charged the Soviet ambassador in Kampala of "criminal meddling" in his affairs and ordered him to return home. The ambassador, Mr. Andrei Zakharov, apparently had been trying to push the President into recognising the pro-Soviet Popular Front for the Liberation of Angola.

Such recognition would have had wider implications since the Ugandan leader is the current chairman of the Organisation of African Unity.

President Amin also threatened to break relations with Moscow unless a top-level Kremlin official flew to Uganda to explain the Soviet actions. But Moscow beat him to the punch and broke relations "temporarily" several hours before President Amin's deadline expired, citing his "insulting behaviour" and the inability of its embassy in Kampala to function normally.

هاتف امن الاهلي

هكذا امن الاحلى

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1. See if the operating controls of your heating system can be altered to achieve better control and distribution. Re-siting and a multi-time switch/thermostat arrangement could dramatically shorten the system's operating period without sacrificing anybody's comfort.

2. Review the operating temperature of the heating system. A reduction of a few degrees can result in very useful savings over the winter period – without anyone feeling the pinch.

3. As you walk through the factory, check if doors are open. Heat escaping this way costs a fortune, yet by installing automatic closures, screening, air curtains or personnel doors, for instance, you'd help keep the heat where it belongs – inside the building.

4. Inspect the roof, normally the greatest single source of uncontrolled heat loss. Uncontrollable ventilators, faulty under-glazing sealing strips and open jack roofs eat into company profits at the rate of £300 per sq. metre a year – and the cost is rising.

5. Check the temperature at roof level and compare it with the temperature at working level. A steeply-rising temperature gradient means excessive heat losses through the roof and inadequate heating for those working on the factory floor.

6. If you haven't done so already, consider which of your most competent engineers should be delegated the responsibility and authority for making specific savings in Company fuel costs – and make a point of regarding this important appointment as urgent.

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If Colt can't reduce your factory heating bills this winter, they'll pay them.

BSC to double iron ore processing at Hunterston

BY CHRIS BAUR, SCOTTISH CORRESPONDENT IN LARGS

THE BRITISH STEEL CORPORATION has decided to double the iron ore reduction capacity it plans to instal at its Hunterston deepwater site on the Ayrshire coast. It announced yesterday that it has ordered two direct reduction plants—the first *to be constructed in the United* Kingdom—at a cost of £50m.

The plants have been ordered from Korf Engineering of Dusseldorf. The German company will supply the design and supervise the construction of the plants with almost all equipment and materials being manufactured in Britain.

The plants, fuelled by natural gas, will produce 800,000 tonnes a year of high-grade iron pellets. The Corporation had intended originally to have an output of only 400,000 tonnes from Hunterston, but had found that there were significant cost and labour savings in having two units built simultaneously.

The *investment further* strengthens the BSC's commitment to developments at Hunterston. Last week it placed a £22m. contract for a deep-water jetty as part of the £70m. iron ore and coal import terminal which is now a third of the way towards completion. Work on the jetty was inaugurated yesterday by Mr. Bruce Millan, Minister of State at the Scottish Office.

The Corporation has also decided to locate an electric arc furnace at Hunterston. Its completion will coincide with the commissioning, in three years' time, of the direct reduction plants from which it will take *about* 500,000 *tonnes a year of* iron pellets.

Sir Monty Finniston, chairman of the BSC, said that a specialist team had started the preparation of plans for a major integrated steelworks at Hunterston, the first phase of which could be commissioned in the late 1980s. He estimated the cost of such a project at about £1,500m. producing ultimately 8m. to 9m. tonnes of steel a year.

'Order new vessels in Britain,' shipyards tell owners

BY JOHN WYLES, SHIPPING CORRESPONDENT

AN URGENT APPEAL to U.K. shipowners to help improve the gloomy outlook facing the country's shipbuilding industry by ordering more new ships from British yards will be made at top-level talks on Thursday.

With legislation to nationalise shipbuilding expected to be Speech to-morrow, the outcome of the talks will be closely watched by the Government. Unless the order famine shows some signs of easing next year, British shipbuilding could face a major crisis threatening thousands of jobs almost immediately it is taken into public ownership.

Although most major yards have sufficient business to keep their workforces employed until the end of 1977, many will face a gradual rundown long before new orders are in the pipeline, then unless some substantial *In the first nine months of this* year, new orders totalled a dismal 37,600 gross tons, compared with 800,000 tons for the same period last year.

It is against this background that, on Thursday the Shipbuilders and Repairers National Association will urge senior leaders of the General Council of British Shipping (GCBS) to consider more positive action. Fearing the possibility that the *Government might eventually* try to compel them to place more orders with British yards, the shipowners will want to be seen trying to help find a path out of the current crisis.

But they are likely to make it clear to the shipbuilders and indirectly to the Government that they can offer little direct help and that there is no possibility of accepting any restraint on their freedom to order ships anywhere *in the world*.

In recent years U.K. shippers have accounted for 75 to 80 per cent. of British shipbuilding output, but this year they have shown a much greater preference to shop abroad where yards, particularly in Japan, are outbidding the U.K. industry on prices and enjoy better reputations for delivering new ships on schedule.

This basic lack of competitiveness makes its likely that shipowners and shipbuilders, represented by the Shipbuilders and Repairers National Associa*tion will urge the Government* to adopt short term measures to attract more orders to British yards. These could include an extension of current inflation guarantee payments which reimburse foreign buyers for higher charges due to inflation up to a ceiling of 20 per cent.

● Aberdeen Harbour Board yesterday announced that they have accepted a formal offer of a grant from the Scottish Office for the construction of a new *roll-on roll-off ferry terminal* for the Aberdeen-Shetland route.

The total estimated cost is £2.4m of which £1.5m. will be provided by a grant from the Scottish Economic Planning Department.

The new ferry will be the P and O ferry Panther which will replace the conventional loading vessel St. Clair. The Panther is expected to begin a thrice weekly service to Shetland towards *the end of next* year.

New plant to produce metal extractor chemical

BY RHYS DAVID

SHELL CHEMICALS (U.K.) is to spend £1.5m on a new plant at Carrington, near Manchester, for commercial production of a new chemical for extracting metal from ores and other source *materials*.

The new chemical, SME 529 has been developed by Shell at laboratories in Amsterdam and has been produced in evaluation quantities at the company's product development unit at Carrington.

The company now believes that a substantial market could exist for the chemical in the recovery of copper, nickel, cobalt and platinum group metals from *low grade ores, dumps, tailings* and scrap sources. In particular, the chemical could find applications where recovery of very small quantities of metal by other conventional methods is uneconomical, thus making it possible to extract or reclaim metal which would otherwise be lost.

The company is hoping to *develop outlets for the product* in a number of countries around the world, including North and South America and Africa, among the major sources of supply for copper and nickel.

The company say the product has been roved in both acid leach and ammonizeal leach solutions using a variety of source materials. These include smelter slags and residues, electrolytic slimes, electrochemical processing *wastes and spent catalysts*. The active component of SME 529 (2 hydroxy 5 tertiery nonyl) is acetophenone oxime.

BL report favourable to Japanese system

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

BRITISH LEYLAND executives are considering a favourable report on Japanese car produc*tion methods from a team of* engineers who visited Japan earlier this year.

Six production specialists visited several plants of the larger Japanese motor companies, including Toyota, Nissan and Honda.

Although the report is believed to have made no specific recommendations it is couched in favourable language, drawing particular attention to the social *harmony in Japanese factories*, and their high degree of automation.

British Leyland insists that there is nothing particularly significant in the timing of the visit, which was *organised* after Mr. Derek Whittaker took over *as managing director* of the company's car division.

Reciprocal visits

There is a long-standing tradition of reciprocal plant visiting in the motor industry. Indeed, Nissan came to know British factories intimately when it made Austins under licence after the war.

Coming at a time when the British industry is under pressure from Japanese imports, and after a long gap in BL visits to Japan, however, the report is *bound to raise interest*.

The document considers several distinctive features of the Japanese system—such as the methods of quality control, participation, incentive payments, and mechanisation.

Commitments

It also identifies the notion of life-long commitment to the company as a major factor behind *the success of Japanese factories* in achieving smooth production with very few labour problems.

The BL team was impressed by the widespread effort to achieve quality within Japanese factories, partly achieved through the use of quality control circles, which involves most of the workers in discussion.

The report points out that Japanese car workers have an incentive element in their wages, something which has been gradually eliminated in BL, but which the present management is thought to favour on a limited scale.

On mechanisation, it particularly singles out the increasing use of robots *in Japanese factories*.

Population moves from crowded areas

BY DONALD MACLEAN

POPULATION density declined in many of the most crowded parts of Britain between 1931 and 1961, according to figures* released by the Office of Population Censuses and Surveys.

The number of people living in wards at a density of over 250 *persons a hectare fell to 0.2m.*, from 3m., in spite of the overall rise in the population.

The most densely populated square with sides of 25km. in the London area contained 82 people a hectare in 1961, against 107 in 1931.

The most crowded 25km. squares outside London in 1961 were at Birmingham, with 2.1m. people—against London's 5.1m., Manchester, with 1.9m., Liverpool 1.5m., Glasgow 1.5m., West Yorkshire 1.3m., and Tyneside 1.1m.

A 50km. square for London contained 8.8m., and one in the Manchester and Liverpool area 3.6m.

A comparison with other de*veloped countries showed that* it was always possible to find a more densely populated area in Japan than in Britain for a given size, but that Japan was the only country for which such a "clear cut" result appeared.

**Population Density and Concentration in Great Britain 1931, 1951 and 1961. John Craig. Studies in Medical and Population Subjects No. 30: HMSO £4.75 net.*

German's own-label Scotch

BY LORNE BARLING

HANS EUBER U.K., which specialises in direct sales of French and German wines, yesterday announced trading agreements with five European organisations, one of which involves the export of own-label Scotch whisky to Edeka, Germany's largest food retailing group.

The agreements, concluded in Paris, are aimed at strengthening the base of the company and *giving added assurance to large* customers that it has secure sources of supply. Furthermore, Edeka's 29,000 sales outlets are *expected to ensure a substantial* increase in turnover.

Hans Euber, which had a turnover of £280,000 in 1974 and an estimated £800,000 this year, believes that the new agreements will boost that to £3m. in 1976. It is estimated that it will export a minimum of 100,000 cases of Distillers whisky, marketed under its Benmoor label.

Other agreements are with Damoy-Vins and with three co-*operatives. The company* has also formed a subsidiary in Germany to buy competitively for the U.K. market.

AA awards top marks to country hotels

By Arthur Sandles

WITH THE AID of a new AA guide, published to-day, an energetic but discerning tourist can now start the day with the best breakfast in Britain at the Chirnside Country House Hotel in the Borders, enjoy the best welcome at the Toorak Hotel in Torquay and pop over to the Marine Hotel in nearby Salcombe, for a drink with the top cocktail barman.

If he is determinedly energetic he can, on the way South, see the best view in Britain from the Sharrow Bay Country House Hotel overlooking Ullswater or the gardens of the Pennyhill Park Hotel at Bagshot, the decor of the Seckford Hall Hotel at Woodbridge, the recreational facilities and parking space of the Gleneagles at Auchterarder, or just luxuriate in the most distinctive bathroom in the country at the *Raemoir, Banchory*.

Barmen

For good measure, he has choice of barman, for the Buchanan Arms at Drymen, in Central Stirlingshire, shares joint top spot with the man at the Marine.

All these awards are Topliners, the AA's new commendation for excellence among the hotels in its guide.

The *only thing about which* the guide will not give advice is the coffee. For the "best" coffee is not found anywhere. "Far too often coffee is re-heated, or kept too hot, too long," says *the AA's Guide to Hotels and Restaurants*.

Local staff

The AA finds that more hotels and restaurants are turning to local staff who *might* "lack the veneer of professionalism," but make up for it with "natural charm."

Perhaps it is the "natural charm" of two Knightsbridge neighbours which has moved them into the select circle of Britain's 21 five star AA hotels. The Carlton Tower and the Skyline Park Tower have joined that elite group.

The AA also lists 16 new Red Star ratings for hotels *thought to be the best of their* kind in the country. There are 59 restaurants with new rosette awards for outstanding cuisine.

The Guide has a 400 page gazetteer section and information on where to stay for an inexpensive week-end break.

AA Guide to Hotels and Restaurants in Great Britain and Ireland, 1976. Members, £2.95 or £3.25 from bookshops.

VIETNAM MAIL SERVICE RESUMED

Mail services to South Vietnam, discontinued since the end of the Vietnam war, resume to-day, on a restricted basis. Only unregistered airmail letters weighing up to 20 grammes will be accepted. They will be directed via Hanoi.

Corporate lending role predicted for Trustee Banks

BY MICHAEL BLANDEN

THE Trustee Savings Banks will eventually lend to corporate as well as private customers, according to Mr. Philip Keens, chairman of the TSB-South-East.

Mr. Keens stressed that this could not happen before 1985, when the TSBs cut their links with the Government and become independent commercial organisations under proposed legislation.

But he said that, to build up their reserves as independent organisations, the banks would eventually have to consider every opportunity for profitable lending.

He was speaking at a lunch to mark the *integration on Friday* of six banks into a single organisation, the TSB-South-East. The new group, taking in the Essex, London and South Eastern, Oxford, Portsmouth, Surrey and Thames Valley banks, will be the biggest TSB in the U.K., with about £600m. of funds and over 1½m. depositors.

The move is part of the reorganisation of the banks into some 17 regional groupings ready to become a "third force" in consumer banking on the lines recommended in the Page Report on National Savings. Mr. Keens said that the new bank was setting up five reg offices to help retain its links.

He said that provided le tion was introduced sho the TSBs are hoping for a tion in to-morrow's Qu *Speech—it could be passe* next March and come into tion in about a year.

Training campaign

This would clear the wa the banks to start promotir a significant scale their personal loan facilities customers and in time—pre in 1977—to offer over facilities for suitable custo He emphasised, however, need for a training campai equip branch managers handle lending business.

Mr. Keens said the should also build up reserves in preparation severing their links with Government and the Nat Debt Office and coming the supervisory influence o Bank of England.

He suggested that over next 10 years or so—the scale set for the change in status—they should be ab build up reserves represe 5.6 per cent. of deposits.

Reservations in big ban support for Sandilands

FINANCIAL TIMES REPORTER

THE BIG banks are supporting the Sandilands recommendations for inflation accounting, but with important reservations over their implications for banks and financial companies.

In a statement yesterday the London clearing banks gave their support to the recommendations made by the Institute of Chartered Accountants on the *Sandilands report. The Institute* urged the need to adopt a method of inflation accounting.

But it argued that the current cost accounting approach put forward by the Sandilands Committee should be supplemented by statements adjusting the figures in line with the current purchasing power methods previously recommended by the accounting profession.

The banks said that as the *major users of balance sheets*, involving every kind of business, they were sympathetic to the current cost accounting system proposed by Sandilands, but "they feel that time should be given for the practical testing of this system on the accounts of their company customers before it takes its final form."

The bank's major reservation, they stated, related to the treatment of the report as it affected *net monetary assets*. "They think that this raises fundamental issues affecting all holders of net monetary assets, which will have to be dealt with."

With this reservation, banks said, they were "u on the Government the necessity to speed discussio that proposals may be a without delay and the res benefits accrue as soon as sible."

Eleven price rises barred

PRICE COMMISSION inte tions to modify price rises tinued in October at abou same rate as in previous mo Eleven applications for were rejected, including from BP Chemicals Internat and Thames Television, whi applications were cut bac the Commission. In anothe cases, *the companies conce* withdrew their notifica themselves.

Among the increases cut by the Commission was one the Observer Newspaper w wanted to raise the level o advertising rates and cover by 11.07 per cent. This reduced by 4.24 per cent. by Commission while an applic by Rolls-Royce (1971) for a of 8.90 per cent. on the *haul of industrial gas gener* for the Central Electr Generating Board was red by 6.40 per cent.

BR trims local services to save £300,000

BY JAMES McDONALD

ITISH RAIL intends to intro-ce cuts in its London Midland vices—expected to save 0,000 a year—from January 5 part of its plan.

In the London local routes the ston-Watford stopping service, ept for the peak hours on nday to Friday and late ning daily, will be reduced m 15 to 20 minute intervals. frequency of the Broad eet-Richmond (North London e) will be reduced from 20 30 minutes daily.

During the peak hours from nday to Friday, both the tford-Euston and Watford-ad Street services will oper- on a 30-minute interval quency, giving a 15-minute vice for all stations between tford and South Hampstead.

On the Marylebone-High combe-Banbury route, the k frequency will be slightly uced between Marylebone and rards Cross in the evening between Princes Risborough Marylebone in the morning. off-peak frequency reduced 30 minutes.

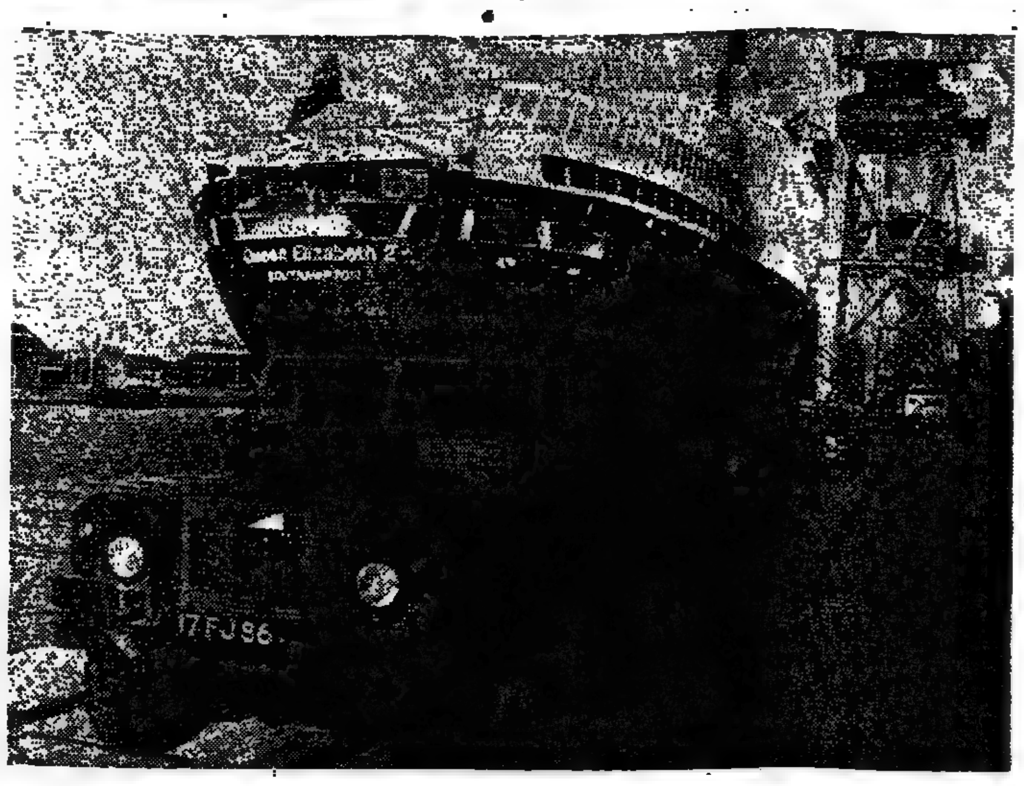
On the Liverpool-Southport-Ormskirk route certain intermediate stations will be closed and winter Sunday services stopped and the frequency cut from 30 to 45 minutes.

British Rail said that inter-city services would not be affected.

Among other cuts are: Rugby-Stafford—one train each way withdrawn on weekdays between Stafford and Nuneaton; Kirkham-Blackpool South—a reduction in weekday service of about six trains each way; Preston-Colne—reduction on weekdays of three trains in one direction, two in the other.

The Southern Region cuts aimed at saving more than £1m. a year are being considered and the Western region has announced economies in services which could save about £500,000 a year. The Eastern and Scottish regions have yet to announce their plans.

"The aim is to achieve economies with the least possible inconvenience to passengers," British Rail said last night.



Army vehicles line the quay at Southampton yesterday alongside the Queen Elizabeth 2 as police and troops searched the liner following Saturday's discovery of 400 lbs of explosives in a block of flats in the town.

High Court keeps alive NVT survival hopes

Y PETER FOSTER

ton Villiers Triumph Manu-uring—the Small Heath, ningham-based arm of NVT ere kept alive yesterday n a further adjournment to compulsory winding up of company was obtained in the h Court.

Mr. Justice Oliver was told by nsel for the company's eivers that rescue proposals the plant, where Triumph lents are manufactured, had n approved "in outline" by Government.

The court was told that more ails of the draft scheme to e the business would be ilable next week, and the npulsory winding-up was ourned for a further seven s to enable creditors to con-er the proposals.

The main petitioners for the eme are Messers (London), ch claims an unpaid bill of £24,774. There are 14 supporting creditors.

The proposals to keep the plant going are based on a trimmed-down operation. Small Heath has already shed several hundred workers this year.

A Government spokesman confirmed yesterday that the Department of Industry was "prepared to look favourably at proposals."

A creditors' meeting of Norton Villiers—the other manufacturing arm of NVT—which manufactured Norton motorbikes at its Wolverhampton plant, was told last week that the company owed its creditors £1.8m. more than the book value of its assets. The figure did not include the £2m. or so of equity capital.

The NVT parent company was responsible for putting the Wolverhampton plant into the hands of the Official Receiver, but has said that its Small Heath factory could be maintained "as a going concern."

PPOINTMENTS

UDT senior post for E. Hatchett

Mr. E. P. Hatchett, who re-tly retired as joint secretary investment manager of Pru-tial Assurance, has joined the rd of UNITED DOMINIONS UST and been appointed non-cutive deputy chairman from beginning of 1976. Mr. A. H. B. gham will, at his own request, private reasons, be re-uishing his executive respon-lities and position as deputy rman at the end of 1975 and retiring from the Board on ruary 29, 1976. The Pruden-is the largest shareholder in T, with a stake of 26½ per t. and a big holding also of vertible loan stock. Mr. P. E. ody, joint secretary and invest-nt manager of the Prudential, already a director of UDT.

*

Mr. Jack Gill, executive deputy irman and Mr. Louis Benjamin, executive director, have been pointed joint managing direc-s of ASSOCIATED TELE-SION CORPORATION. Mr. ner Gyngell, a director of the poration and deputy chairman joint managing director of V Network, will be leaving at end of the year. Mr. Gyngell, o joined ATV Network in 1972, s previously managing director the Seven Network, an stralian television organisation. He now wishes to rejoin his family in Australia and to establish himself as an independent film producer and media consultant. Lord Windlesham will then be sole managing director of ATV Network.

*

Professor Alexandre Lamfalussy has been appointed economic adviser and head of the monetary and economic department of the BANK FOR INTERNATIONAL SETTLEMENTS from January 1. He will be succeeding Dr. Milton Gilbert, who is retiring as economic adviser from the Bank at the end of this year.

*

BBA Group is restructuring its automotive organisation with the formation of BBA AUTOMOTIVE, which becomes operative on January 5. The Board of the new company will consist of Mr. C. M. Fenton (chairman), Mr. D. H. Pillinger (chief executive), Mr. M. J. Baty and Mr. H. May. Mr. Pillinger will become chairman of Mintex (a group member) and relinquish his position as managing director of that company. His successor as managing director of Mintex will also join the Board of the new concern.

Moves against Du Cann 'inspired by Mrs. Thatcher's opponents'

BY JOHN BOURNE, LOBBY EDITOR

MOVES TO depose Mr. Edward Du Cann as chairman of the 1922 Committee of Tory backbenchers are believed to have been inspired by opponents of Mrs. Margaret Thatcher as leader of the party.

Mrs. Thatcher will stand again for election in two weeks' time.

Mr. Du Cann's post is a key one in the Parliamentary Party, and he exercised strong influence in favour of Mrs. Thatcher in the contest last March when she defeated first Mr. Edward Heath and then Mr. William Whitelaw for the leadership.

Supporters of Mr. Du Cann yesterday accused pro-Heath and pro-Whitelaw MPs of wanting to oust him from the chairmanship, which comes up for election in two weeks. It is understood that one of the those who had been asked to oppose Mr. Du Cann was Mr. Francis Pym, formerly Mr. Heath's chief whip, who is highly regarded in the party.

But Mr. Pym, who voted for Mr. Heath in the first ballots for the leadership in March, decided yesterday that it would not be in the interest of the party for an exchief whip to become the chairman of the back benchers' special committee.

Unless, therefore, the MPs who approached Mr. Pym can find an alternative candidate of similar calibre, it seems that Mr. Du Cann will be returned as chairman whether or not there is another candidate.

Even so, there are Conservative MPs who sincerely believe that Mr. Du Cann does not attend the Commons frequently enough to be in the close contact with back-bench opinion, which is an essential part of the 1922 chairman's job.

Mrs. Thatcher is unlikely to be opposed at her election and, if she were, she would almost certainly trounce any foreseeable opponents.

Anti-inflation conference in New Year

MRS. SHIRLEY WILLIAMS, Secretary of State for Prices and Consumer Protection, will be the principal speaker at a conference on counter inflation policy to be held in London on January 28 and 29 at the Royal Lancaster hotel, London.

The conference, arranged by the Financial Times, will discuss the policy and the immediate problems of implementation. A number of speakers will assess the policy against the background of Britain's fundamental problems and examine what contribution the current strategy may be expected to make to the recovery of the economic fortunes of the country.

The Conservative Party's approach will be presented by Mr. James Prior, shadow spokesman for Employment, and that of the Liberals by Mr. John Pardoe.

Other speakers will include Mr. Ray Buckton, general secretary of ASLEF, the train drivers' union; Sir Arthur Cockfield, chairman, Price Commission; Mr. Campbell Adamson, director-general, Confederation of British Industry; Professor A. J. Merrett, professor of corporate finance, London Graduate School of Business.

Redifon makes U.S. link

REDIFON Flight Simulation, a member of the Redifon Group, has signed a long-term collaboration agreement with Evans and Sutherland Computer Corporation of Salt Lake City, Utah. Redifon has bought a share of the Evans and Sutherland equity.

U.S. MAIL DAY

Air mail packets and parcels to be delivered in the U.S. by Christmas should be posted by Monday, the Post Office said yesterday.

Way found to ease radiology treatment

By David Fishlock.

SOME OF the more distressing side-effects of radio-therapy for the treatment of cancer can be relieved with Alka-Seltzer.

Scientists in the radio-therapy department of the Royal Marsden Hospital in London, following a suggestion from the research division of Miles Laboratories, maker of Alka-Seltzer, showed that the preparation "significantly reduced" the nausea, diarrhoea and collicky pains after radio-therapy.

Scientists from the two research teams describe in The Lancet a "double-blind" trial involving 28 women who were being treated with radiation for cervical cancer.

Of the 14 patients receiving the drug, diarrhoea was alleviated in 11, and all who were suffering pain and sickness were helped by taking it.

The active component of Alka-Seltzer is aspirin, which in these circumstances is believed to suppress an over-production of prostaglandins in the stomach and gut, stimulated by radio-therapy, and known to cause the distressing side-effects.

Prostaglandins are part of the body's defence system and can start such mechanisms as diarrhoea or coughing, intended to expel some unwanted foreign body.

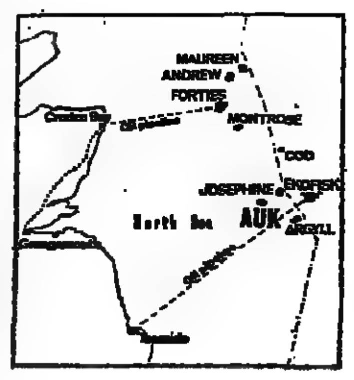
In some situations the defences may over-react, however, and cause further distress.

In the trial, the researchers chose the highly buffered preparation of aspirin—acetylsalicylic acid — marketed as Alka-Seltzer, to inhibit over-reaction, because it causes less irritation to the stomach than pure aspirin. Each patient was given three tablets four times daily before meals.

The scientists suggest that diarrhoea and other associated symptoms arising from causes other than radiation, if caused by over-production of prostaglandins, may also respond to aspirin.

Auk Field oil flow will start soon

BY RAY DAFTER



NORTH SEA oil production will receive a new boost in two to three weeks when Shell/Esso's Auk Field comes on stream.

The celebrations that accompanied the initial flow from British Petroleum's Forties Field earlier this month will not be repeated, however.

Auk is the smallest of the commercial fields so far identified. About 185 miles off Dundee it is close to another of the smaller fields, Argyll, which started producing in June. With just 50m. barrels of recoverable reserves, Auk is less than 3 per cent. of Forties' size.

It is expected that initially oil will be produced at the rate of 5,000 barrels a day, rising to 30,000 barrels next year, and a peak of 40,000 barrels in 1977-78.

Exhausted

It is also expected that reserves will be exhausted by the end of 1980, although an accurate estimate of recoverable reserves will become clearer only when production has started.

To keep operating costs low, Shell/Esso is to use two 40,000-ton oil tankers—Zafra and Zaria—to ship the crude from the field to Shell's Teesport refinery.

The tankers will be loaded at an exposed location single buoy mooring, specially designed for use in the North Sea. Nevertheless, severe weather conditions, which are being experienced now at the onset of winter, could disrupt the production operation.

Total development costs of the field are about £55m., of which £45m. will have been spent by the end of the year.

Several new fields are due to start producing next year, including Beryl, Brent, Montrose and Piper. These, together with Auk, Forties and Argyll, should yield about 410,000 barrels a day by the end of next year—the equivalent of 20.5 per cent. of Britain's present consumption.

Beer consumption up 14%

BY LORNE BARLING

SALES OF BEER in September continued at the very high levels of summer, with consumption more than 14 per cent. above last year.

Brewers supplied 3,459,476 barrels, the highest figure ever for the month. The increase was one of the largest recorded.

They attributed the level of sales to continuing good weather, but do not expect October to be a good month.

According to Customs and Excise figures, sales for the first nine months of the year reached 29,505,126 barrels—up 2.6 per cent. on the same period last year.

But it is felt that the effects of the price increase imposed by the April Budget, although insignificant so far, could begin to bite in view of worsening economic conditions.

UNITED ENGINEERING INDUSTRIES LIMITED

Unaudited Results for the six months ended 31st July, 1975

UNITED ENGINEERING INDUSTRIES LIMITED announce unaudited pre-tax profits of £180,000 for the six months ended 31st July 1975 (estimated corporation tax at 52%=£94,000). These figures compared with £155,000 (tax at 52%=£81,000) for the six months to 31st March 1974.

	6 months to 31.7.75 Turnover £'000	Profits £'000	6 months to 31.3.74 Turnover £'000	Profits £'000
Engineering Division	900	197	726	163
Motor Division	3,132	138	2,510	115
Plant Hire Division	168	(24)	498	10
		311		288
Deduct: Holding Company expenses (finance charges £39,000 (£50,000))		100		102
		211		186
Loan stock interest		31		31
		180		155
Taxation at 52% (52%)		94		81
		86		74
Exceptional items		21		17
		107		91

NOTE: Profits and turnover of Plant Hire Division are stated for the two months to the end of March 1975.

In view of the continuing satisfactory profits, being earned by the Group, the Board have decided to increase the dividend by the maximum allowed and approximately to pay equal amounts as interim and final payments. This being the case, an interim dividend of .91p per share, equivalent to 1.4p per share gross, is now declared and will be paid on the 17th December 1975 to members on the register on 18th November 1975.

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• THE requirement is for a barrister or solicitor – preferably one whose career progress has been developed within a commercially orientated professional practice or alternatively at the corporate centre of a substantial commercial or financial undertaking.

• REMUNERATION is for discussion with £20,000 or more as the salary indicator. Age – probably late thirties to late forties. Location – London.

Write in complete confidence
to Sir Peter Youens as adviser to the group.

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This is an attractive long term appointment with considerable scope for the man with ability, determination and the will to succeed. Lloyd's experience is essential and ideally might have been on a Box. A prerequisite is fluent French both spoken and written. Fringe benefits are attractive and the salary could be as high as £8,000 (equivalent Fr. Fcs) for an outstanding candidate.

Please write or telephone G. A. White, Managing Director.

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The man or woman appointed will work closely with the Manager of the department, will most probably have completed a formal training in accountancy, law, economics or related fields, and will have worked for two or three years in a business environment. Candidates with or without banking experience will be considered. Age range is likely to be between 24-30 years.

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Managing Director.
Hungarian International Bank Ltd.
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95 Gresham Street.
London EC2V 7NE.

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Gresham Street, EC2.

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MERCHANT BANKING

Brandts, the Merchant Bankers, are intending to increase the staff of their Corporate Finance Department and are able to offer some excellent opportunities for Executives to join the Bank's existing team.

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LABOUR NEWS

Feb. 1 start for jobs protection Act

By John Elliott, Labour Editor

THE FIRST major parts of the Government's new Employment Protection Act will come into force on February 1 when new procedures for arbitration and for trade union certification and recognition starts to operate.

This emerged yesterday when the Department of Employment said that the Act's new Central Arbitration Committee and Certification Officer would become operative on that date.

The Department also announced that Professor John Wood of Sheffield University was to be the chairman of the CAC and Mr. John Edwards, a senior Department of Employment civil servant, would be the Certification Officer.

Professor Wood, aged 47, holds the Edward Bramley chair of law at Sheffield and has occupied a variety of industrial relations posts, including membership of the former Commission on Industrial Relations.

Returns

He is now a member of the governing council of the Advisory, Conciliation and Arbitration Service, which receives statutory status under the Act on January 1 and which will then be responsible for servicing both the CAC and the Certification Officer.

Mr. Edwards, aged 60, joined the then Ministry of Labour in 1945 and, more recently, has been in charge of the preparation of industrial relations legislation as one of the Department of Employment's under-secretaries. From 1968 to 1971 he was secretary of the National Economic Development Council.

In his new job he will take over from the Registrar of Friendly Societies the job of dealing with trade unions' annual statistical returns.

His more contentious work will be to decide which unions are sufficiently "independent" to warrant certification. Only certificated unions will enjoy certain of the Act's provisions such as access to statutory recognition procedures and rights to advance consultation on redundancies.

Journalists to fight NUJ fines

By Our Peterborough Correspondent

[illegible]RTY journalists are taking their union to an industrial tribunal after being fined for [illegible]ying union instructions.

The move comes after an announcement yesterday that journalists in the Sharman group of weekly newspapers, which circulate in Cambridgeshire, had been fined between [illegible] and £40 and five suspended from the union for a year for [illegible]ying the National Union of Journalists.

The NUJ national executive [illegible]ected in June that the journalists, including reporters, photographers, and sub-editors, should stop work in sympathy with 40 members of the National [illegible]aphical Association.

THE NUJ's executive yesterday attacked members of the [illegible]rds opposing the Government on the Press freedom issue, accusing them of "unrelenting determination to penalise the NUJ."

It said that the union reaffirmed its total abhorrence of censorship in any form and its full support to chapels seeking 100 per cent. post-entry membership agreements. When members were called out on strike, editors should be free to continue their normal work.

Docks scheme extension threatens supplies—CBI

BY CHRISTIAN TYLER, LABOUR STAFF

THE CBI yesterday launched a concerted public campaign against the Government's plans to extend the dock labour scheme to all ports and to the majority of cold stores and warehouses.

Legislation to enforce this extension is expected to be announced in the Queen's Speech to-morrow, with a Bill being introduced before the end of next month.

Mr. Campbell Adamson, director-general of the CBI, said the Government's plans would virtually give the trade unions control over the import and distribution of food supplies "putting at risk the things that keep this nation alive."

With all such work in the hands of registered dockers, an industrial dispute at the docks would have repercussions all down the supply chain.

"In that event, we are going to see scarcity of food in the shops. This would drive up food price levels and could even start a run on food in the shops."

Raw material imports could also be shut off leading to short-time working and closures in industry.

The scheme — partly intended to safeguard dockers' jobs against the march of technology, particularly containerisation—violated the principles of the Government's new industrial strategy under which industrial change was supposed to be encouraged, Mr. Adamson said.

Buffer stock

Yesterday's attack was backed by nine employers' associations, including shippers, freight hauliers, warehousemen, cold-store operators and the food and drink industry. All these groups have protested to Mr. Michael Foot, the Employment Secretary, since he published a consultative document on dock work in March, but fear they have made little impression. They have therefore joined hands to bring their campaign fully into the open.

According to the various associations yesterday, about 20,000 jobs in ports and inland depots outside the scheme would be brought under its scope. Over 60 per cent. of the 1m. tons of food held in storage would be vulnerable, with the result that a national dock strike could reduce the buffer stock from about six months' supply to sufficient for only weeks or days.

With all ports in the scheme it would become difficult to reroute shipments to alternative ports when industrial trouble hit one of them, because of trade union solidarity.

The present dock labour scheme, dating from 1946, virtually guarantees dockers a job for life and provides for expensive severance payment where labour is surplus. The Government is proposing to extend this arrangement to all ports and all depots within five miles of a waterway where cargo is handled.

● Further strong warnings of the effects on the food industry of price controls and the Government's proposed extension of the national docks labour scheme came yesterday from Mr. Kenneth Webb, president of the U.K. Association of Frozen Food Producers.

Speaking at a lunch attended by Mr. Fred Peart, Minister of Agriculture, he said new investment in frozen food production plant could be put at risk if the current pressure on profit margins was not halted.

£6 in three stages for 7,000

BY OUR LABOUR STAFF

A THREE-STAGE pay deal providing for payment of the maximum permissible rise of £6 a week over a period of six months has been concluded for about 7,000 manual workers in the narrow fabrics industry.

The deal is the second to be concluded within the past seven days under which unions have accepted a phased rise in order to meet employers' objections that they could not afford the full £6. Last week, a two-stage deal was concluded for workers in the brick industry.

In the narrow fabrics industry, workers will receive £3 a week backdated to September 8 this year, another £2 in the week starting December 8, and a final £1 rise in March.

The minimum basic time rate in the industry at the moment is about £26 a week.

About 1,500 textile workers employed at six factories of Courtaulds subsidiaries in Wales and on Merseyside are continuing their unofficial strike in support of demands for the full £6 rise.

The companies have offered £3.60 in line with the national offer made for the garment industry last July. Courtaulds said yesterday that talks with the National Union of Tailors and Garment Workers were continuing in an effort to find an agreed solution.

Inquiry call after poor poll show by TGWU

BY ROY ROGERS, LABOUR CORRESPONDENT

SENIOR Transport and General Workers' Union shop stewards at British Leyland's Cowley, Oxford, car assembly plant are considering calling for an inquiry into the union's recent poor showing in the election of worker representatives to the plant's new joint management committee.

Militant TGWU shop stewards opposed to Leyland's new three-tier worker participation proposals are understood to have discouraged TGWU members from voting. As a result the union ended with only two out of the eight manual workers' representatives on the plant committee, which is part of the bottom tier of the structure.

By comparision the Amalgamated Union of Engineering Workers, the TGWU's arch rival, managed to fill five places with the Electrical and Plumbing Trades Union filling the other seat.

The four clerical staff representatives will be one each from the Association of Scientific, Technical and Managerial Staffs, the Association of Professional Executive Clerical and Computer Staffs, the technical and supervisory section of the AUEW and the TGWU white collar section.

Senior TGWU shop stewards have already drawn the attention of their members to the manner in which some militant stewards went out of their way to dissuade them from voting and the union may be asked to investigate the moves which resulted in their members not being properly represented.

In the adjacent car body plant, where the TGWU represents over three quarters of the manual workers, elections are being held this week for joint management committee representatives and TGWU stewards there are determined that the union will dominate the available places in line with their membership figures.

Unions throughout Leyland Cars plants are in the process of agreeing constituencies and electing worker representatives in readiness for the introduction of the company's worker participation plans before the end of the year.

● Production losses of more than £5m. at the Rover plant of Leyland Cars was staunched yesterday when more than 1,400 strikers decided to resume immediately. There will be a phased return of nearly 3,000 laid off at six factories from to-day.

As a settlement was being arranged 230 press shop operators at the Castle Bromwich, Birmingham, factory walked out over work levels, and this poses a threat to Jaguar and Mini production. The men are members of the General and Municipal Workers' Union.

LTE seats offered to unions

By Our Labour Staff

UNION representatives are to be offered two part-time seats on the executive of London Transport.

A formal proposal would be put to the unions concerned by the Greater London Council next month in anticipation of legislation on industrial democracy, Mr. Jim Daly, chairman of the GLC transport committee, said yesterday.

The union representatives would "make the kind of contribution indicated in the TUC's statement last year on industrial democracy," Mr. Daly said.

Union officials said that two part-time seats might not be enough. The unions might ask for half the seats—the form of workers' representation demanded by the TUC for the policy-making boards of nationalised industries.

"Only two seats could create problems. The Transport and General Workers Union and the National Union of Railwaymen represent most London Transport workers and would want one seat each, but the other 20 or so unions could object to being excluded.

Possible disagreements could also arise over who the representatives should be. GLC officials said that they would prefer shop floor representatives, but the NUR, at least, might want to send a full time official.

Express talks to resume

TALKS WILL resume to-morrow on the demand for 8 per cent. pay increases by Daily Express maintenance engineers which led to the halting of Fleet Street production of national newspapers last week. The engineers earn between £102 and £114 a week and meeting the claim would breach the Government's £6 limit on pay ncreases.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● CONSTRUCTION

Automatic bills of quantities

ALL BILLS of quantities for the intended multi-million pound second phase of a major re-building of St. George's Hospital, Tooting, will be produced by computer at CMG Computer Management Group (Southern) headquarters in Croydon using the company's Quantity Surveying package.

This follows the successful completion of bills of quantities for Phase I, a project costing over £12m. involving the building of a medical school administration blocks and ward blocks, by quantity surveyors Widnell and Trollope.

Phase Two will comprise further developments within the medical school and the building of a research centre at a total cost of over £7m.

The ability to provide cost analyses and breakdowns on all aspects of the job in addition to producing the actual bills of quantities is one of the key features of the system. The building industry is making increasing use of both elemental and operational breakdowns and the CMG package enables the necessary codes to be allocated at the taking off stage. These codes can be specified to apply to all items on the taking off page, to an individual item on the page, or to a dimension within an item.

Once all corrections have been made and the final bill has been produced, the system can apply unit rates to each item and *produce a variety of cost* analyses by elements, operations and trade sections.

Information to be incorporated in the bills of quantities is taken off the architect's drawings in the form of dimensions which are later coded for the computer using Fletcher-Moore *standard phraseology. This tells* the system where to place the item in the bill and what items are to be added together and whether all or only part of the item is to be attributed to a particular element, location or department within the building.

Once coded, the unsquared dimensions, together with any descriptions about which the computer has not been informed are punched and verified in paper-tape format for entry to *the CMG computer.* At the same time the quantity surveyor specifies the format, or formats in which he requires the results to be printed out. A paper-tape output, to enable bills to be produced in both upper and lower case is also available.

Widnell and Trollope, who have been closely involved in developing the system with CMG, have used the package since 1969.

CMG, Sunley House, Bedford Park, Croydon, Surrey (01-686 8251).

Flexible moulds for plaster

FOR USE in the fibrous plastering *section of the building in*dustry for the casting of architectural designs, classical decoration, three-dimensional murals and sculptured art shapes, Proplastics, 74 Sandymount Avenue, Bognor Regis, Sussex PO22 9EP (02433 29514) is marketing Gelflex, a flexible mould making material.

It is stated to melt at a low temperature, to have good flow properties, and to eliminate pin holes, blisters and steam marks encountered with other moulding materials. When moulds become worn they can be remelted for further use.

● PROCESSING

Applies the coolant as a mist

A MIST coolant spray claimed to have proved its worth in the plastics industry by improving *surface finishes* produced during cutting operations on many plastics materials, has been introduced by Extrusion Developments, P.O. Box 118, Stony Stratford, Milton Keynes MK11 1BX (090 856 2524).

Called the VBK Misto-matic, the unit uses the factory air-line for its operation and is simple to instal both as original and as retro-fitted equipment to machine tools.

It is claimed to cool, lubricate, and clear swarf or chippings from the cutting action without obscuring the operator's view, and to raise production levels, maintain finer finishes on cut material, reduce after-finishing operations, and lengthen tool or cutter life between regrinds.

● COMPONENTS

Regulates and filters

A LOW-COST air filter regulator *for outdoor use or in corrosive* atmospheres, useful for providing clean, regulated air pressure to pneumatically operated devices has been put *on the market by Flowstream* Division, ITT Controls, High Street, Deritend, Birmingham B12 0LP (021-773 6101).

Easily installed and ruggedly constructed, the Airpak has high stability and yields particle-free air down to five microns. It can provide high capacity regulated air from supply pressures up to 300 p.s.i. and there are three ranges—0 to 25, 0 to 60 and 0 to 125 p.s.i., available from stock. Basic models cost about £7.50.

● COMMUNICATIONS

Radio aids the aged

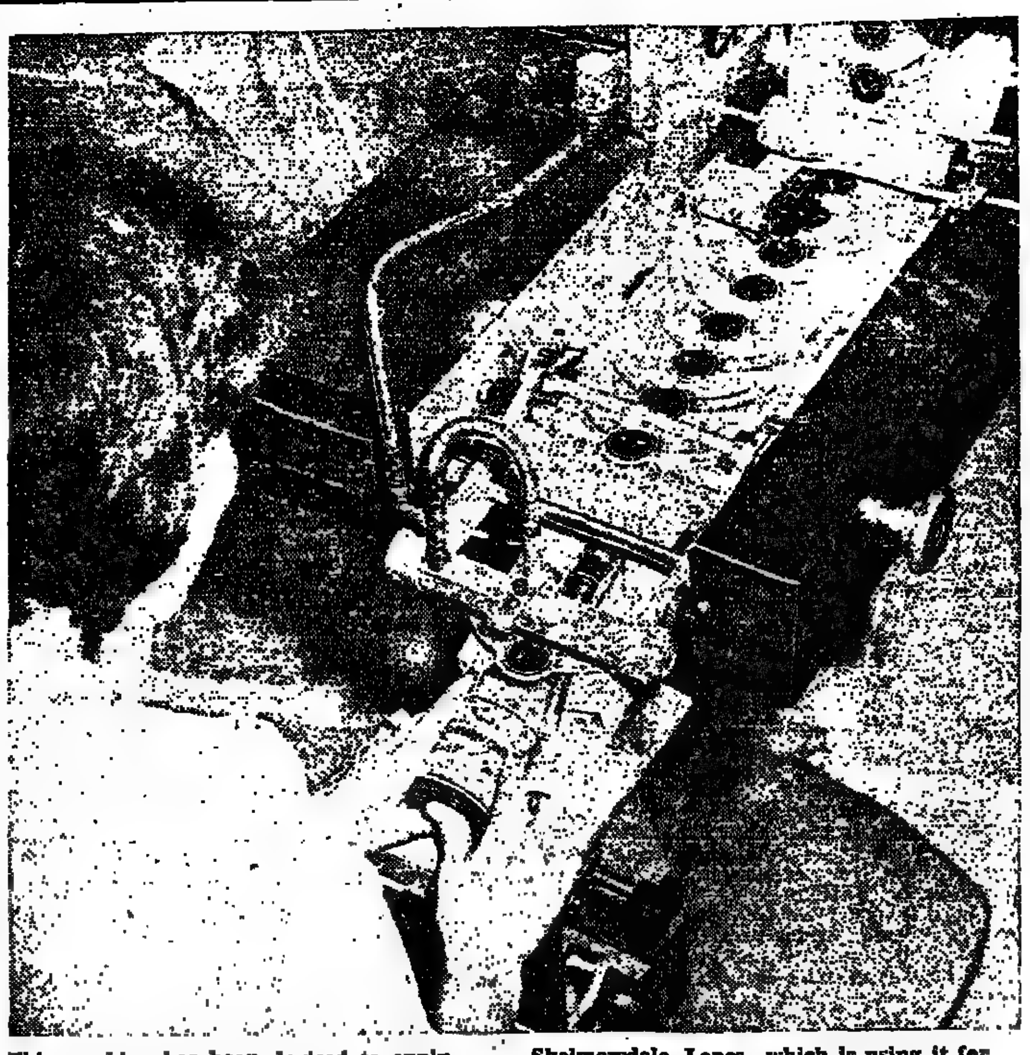
SIMPLE VHF radio transmitter/receivers placed in the homes of aged people or others at risk, monitored *from a central "care centre" form the basis of a* system offered by Cass Electronics, Crabtree Road, Thorpe, Surrey (Egham 6266).

The person in need of assistance does no more than press a red button on the unit, and *if desired a pocket-sized remote* control unit can be provided so that the user has mobility around the home. Either action activates the transmitter and the call is immediately displayed on the central unit in the form of date, time, alarm unit number and a code number indicating the nature of the call.

Normally the resident's alarm code would be "1," but a social worker arriving at the home would be able to activate alternative assistance codes ("2" and "3") when a doctor or *ambulance is needed. Other* codes indicate to the central controller that the call has been answered ("4") or that the alarm unit is faulty ("5").

Faults are found by sending pulses to all the alarm units in sequence every few seconds: a faulty one produces code "5" on the control unit.

The Home Office has allocated a single VHF frequency for the use of the system, which uses audio tones modulated on to the carrier for signalling.



This machine has been devised to apply self-adhesive labels to the necks of bottles. It has been supplied by Whitehall Machinery, of Chalks Road, Whitehall, Bristol (0272 553551), to Vanda Beauty Counsellor, of Skelmersdale, Lancs., which is using it for a bath product. In this picture the main body label has already been applied by a similar machine; here the difficult neck label is being positioned so that it is aligned with the main label and will wrap around precisely.

● DATA PROCESSING

Terminal uses new cartridge

THE FIRST equipment to be announced in the U.K. to make use of the new 3M DC 100A 0.15 in tape cartridge for mass storage is the Hewlett Packard 2644A Mini-Data Station.

*The cartridge has been de*veloped in cooperation with Hewlett Packard for their initial use but is expected to be made available to other companies in due course. It uses the same mechanics as the DC300A ¼ in. cartridge: the tape is not directly driven by the external *capstan; instead, an internal* wheel is rotated which drives a rubber belt passing over the two spools. Accurate tensioning of the belt enables the tape to be driven at constant speed over the external head.

According to 3M the conventional compact cassette design at its best is unlikely to exhibit a better error rate than one in a million, whereas the DC100A is producing one in a hundred million. The tape cannot be mishandled, dust cannot enter the cartridge and a life of 3,000 passes is expected as opposed to 500 to 700 for the conventional cassette: 1,000 passes is guaranteed.

The Hewlett Packard 2644A uses two cartridge transports so that up to 230,000 bytes of data can be stored, enough for a day's work at the keyboard.

For data entry for example, up to eight standard forms can be stored on one of the cartridges, selected by pressing one of eight buttons. Having filled up the form using the alpha-numeric keyboard, depression of another dumps the data on to the second *cartridge at 8,000 bits/sec. Filled* cartridges could later be batch transmitted to a computer. The eight buttons have second and third function sets concerned with file searching, marking etc., and data transference such as "cartridge to cartridge," "cartridge to screen" or to printer.

Making use of the Intel 8008 microprocessor with 12k of programmable read-only and 4k of random access memory, the terminal screen displays characters on a 15 by nine dot overall matrix to give variability of a nine by seven dot character. Four sets of 128 characters each can be provided including Greek and mathematical symbols and a line drawing set.

Standard features in editing include character and line insert and delete, cursor sensing and *positioning, programmable pro*tected fields for forms, off screen memory with scrolling and page select, tabulation, and positional memory lock.

Average access time for a point on the tape is 10 seconds and one of the three by two-and-half by half inch cartridges, *which are easily stored* and mailed, contains the equivalent of 1,000 feet of paper tape.

Maximum one-off price of the machine is £3,360 (basic £3,000). More from the company at King Street Lane, Winnersh, Berks RG11 5AR (Wokingham 784774).

Cuts the downtime losses

BREAKDOWNS IN data communications networks can be very expensive, not only in direct costs but also in delayed decisions and lost business because necessary information is not available at the crucial moment.

In an effort to cut this down*time to a minimum, and where* possible eliminate it, IAL Data Communications, the data systems division of International Aeradio, Hayes Road, Southall, Middx., UB2 5NJ (01-574 2411), has developed Medius, a network-management system.

The company says that the system can be used to control any size of network, and can ensure that there is minimal breakdown interference in the function of network hardware, computing facilities and mainframe software.

It enables one man—the network controller—to have complete control of all network switching, monitoring and testing functions at his fingertips, either at a keyboard or at front-panel controls.

This high degree of control is provided whatever the size or complexity of the network.

When not being used by the controller, the system automatically reverts to a continuous monitoring mode which enables the operational status of local and remote equipments in the network to be sequentially checked using telemetry techniques.

Faults are diagnosed as soon as they occur, and the system indicates both their nature and *location,* for example in the front end processor or the Post Office line. The controller can then notify the maintenance engineers nearest the fault and advise them of the corrective action required.

At the same time he can establish the best alternative routes for traffic, cutting downtime to a minimum. Later he can check whether repairs have been correctly completed before returning the restored item to the network.

IAL says that to instal Medius costs about 1½ per cent. of the total cost of a network—it is available either on a sale and installation basis, or from a leasing company.

IBM links for SWIFT

NEW direct SWIFT link attachments for the IBM System/32 and System/7 range of computers have been announced by IBM United Kingdom. These offer the SWIFT (Society for Worldwide Interbank Financial Telecommunications) member banks many communication options to interface with the main SWIFT systems.

System/32—the small desk-sized office computer introduced by IBM United Kingdom in April—can act as a dedicated terminal providing a direct link with a concentrator, as well as being used for other bank data processing.

Modifications to permit incorporation of SWIFT line protocol in the standard System/32 are achieved by use of the IBM diskette. A complete set of application programs allow the user to carry out all message preparation and receiving functions as an interface device to SWIFT. These programs are written in the System/32's programming language, RPG11, so users can tailor further options.

The two new programmes—Teleprocessing Monitor and SWIFT Application Programme for Teleprocessing Monitor—enable the IBM System/7 as well as handling messages, to act as a stand-alone telecommunications concentrator for one bank or a group of banks and as a front end device to a central processing system.

IBM, 101, Wigmore Street, London W1H 0AB. (01-935 6600.)

Cobol for use on a mini

THE FIRST sale of a Cobol compiler designed for the Interdata mini has been made to the Dundee College of Commerce. Marketed by Plymouth Computer Systems, the compiler puts the Interdata equipment into the commercial user environment and is available for both the 7/16 and 7/32 machines.

It will operate in its various versions in as little as 48 kilobytes of core. With the compiler is a full library of aids and utilities and run time facilities.

A significant advantage to the user who wants to write his own programs is the ability to hire programmers who have a general *knowledge of Cobol, thus* eliminating the problems sometimes associated with minis vis-a-vis the unique language that they use.

The software is fully tried and has been accepted by the U.S. Navy Projects Office. It is now in use in over 75 installations in the U.S.

Plymouth is offering the compiler to all current Interdata users, and complete Turnkey Systems to commercial users. A comprehensive sales/stock accounting demonstration is available which was totally written in Cobol.

Plymouth is at 20 Soho Square, London W1. (01-580 3461).

● ELECTRONICS

Pressure switch

FOLLOWING extensive research, Siemens is able to present a new sensor element (B 39 910) based on the piezoelectric effect.

In it a pressure-sensitive piezoceramic transducer responds to light pressure (approx. 150 g) by producing a voltage of about 0.8 V. The deformation that occurs is less than 0.5 micrometre, *so that the pushbutton* can be described as a "pathless" switch.

The actuating area can be designed as part of a virtually rigid and hermetically sealed surface. Moisture and soiling have no effect on the switching characteristics, and inadvertent *touching does not result in false* operation, since the switch has to be actuated with a definite minimum pressure. In view of these qualities, the piezoelectric pushbutton is predestined for equipment exposed to unfavourable environmental conditions as well as for consumer electronics, including portable equipment.

The pushbutton developed by Siemens is based on piezoceramics such as are already used for cigarette lighters and phono pickups. A thin foil, cast to form an edge-mounted transducer element whose top edge can be subjected to mechanical force and which is supported on either side to prevent bending, serves as a pressure transducer. The extremely slender shape of the transducer greatly increases the piezoelectric energy at a given pressure.

Siemens, D-8520 Erlangen 2, Postfach 3240, Federal Republic of Germany.

● By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

● LUBRICATION

Protects during running-in

ASSEMBLY AND running spray, an aerosol introduced. Rocol as the latest in the co pany's range of dry lubricati products, has been designed give protection during machi start-up and running-in.

It produces a bonded film s to withstand pressures up 100,000 p.s.i. and protects agai galling, pick-up and wear in t period before bearing surfa have been polished and bedd in. It also protects against e rosion and can be used for pr and interference fits preventi jamming and pick-up and red ing the force required *assembly*.

Rocol, Swillington, Leeds LS 8BS (Garforth 2261).

● PRODUCTS

Removes airborne moisture

A PORTABLE dehumidifier f commercial and domestic u has been introduced by Wy power, Drove Road, Everton, N Gamlingay, Sandy, Beds., SG 2HX (0767 50011).

Called the Dri-Air 50, and rat at 325W, it draws in humid a using a fan. The air passes ov an evaporator, is cooled and co densed, and all moistu extracted and drained into removable container. The d air is heated and returned in the atmosphere with a vast increased capacity to abso moisture.

Suggested applications are foodstock stores, pumpi stations or in electricity su stations where it is vital to avo corrosive deterioration and th build-up of moisture and du which can cause instrume tracking problems.

The Executive's World

EDITED BY JAMES ENSOR

Nicholas Leslie describes how competition produced a new attitude

The open society at BOC

Mr. Leslie Smith, chairman of the industrial and medical gases group.

ONE OF the biggest changes the past five years in British ygen has been a move to a re open society. Negotiation d consultation are now of an der that would have been inconceivable five years ago, both ternally and externally."

Thus, one of the main points ade by Mr. Leslie Smith, airman of the industrial and edical gases group, in describing changing management tterns in the group's changing corporate structure.

As a result, Mr. Smith is quite convinced" that there s been an increased utilisation by the company of its management potential.

This development has taken ace within the context of a adually changing corporate ucture. From a point where erything from day-to-day management to planning the future re the prerogative of the in Board the position was ached earlier this year where erseas subsidiaries had all ined a considerable degree of tonomy. Then, in March, other significant stage was ached when a new company, C Limited, came into being draw together under single ntrol the majority of U.K. and ropean activities.

British Oxygen Company subquently became the parent of C Limited and all other overs companies and changed its me to BOC International.

The significance of the move es beyond the mere setting of a new company. It set stage for releasing the main ard from the bulk of U.K. and ropean operational resonsibiies and allowed them an unmpered view of the future th the freedom to concente on planning the best allotion of resources, both finanl and managerial. It also will d, hopefully, to BOC being ulded into an "international" company in terms not ly of location but also in attide of mind throughout its nagement.

The "internationalism" of C began in earnest some ven years ago when its subliaries overseas were given fair measure of autonomy. To preciate what this means one n point to Mr. Smith's exanation of how he feels observers should regard BOC to fully understand its nature and how overseas subsidiaries should observe themselves.

BOC's products are such that they cannot economically be transported more than 150-miles to 200 miles—thus its products do not cross national boundaries. What it does export is technology and managerial expertise. To provide its product overseas requires construction of plant in many locations, either to serve a number of customers or one big one. Thus, it is a very capital intensive company—a factor which leads to a considerable borrowing requirement and high gearing.

Mr. Smith feels that the frequent criticism which is levelled at BOC's gearing is unjustified and derives from misconceptions about what the company really is about (although its good performance in the current depressed climate seems to be altering some attitudes). While agreeing that discounted cash flow projections on a new plant reveal that a return on the investment might not be seen for up to seven years, he suggests that the subsequent pattern of return will show a steeply rising curve. And the risk factor in those barren years he considers to be small because BOC's product forms such a small proportion of the total materials requirement of its customers—heavy engineering, steel and chemical engineering, for example—that BOC is not particularly susceptible to production cycles of those industries.

There seems to be a strong implicit suggestion that de facto autonomy existed in large measure in overseas companies since they have not been particularly reliant operationally on the parent once plant has been set up; and that the changed situation merely recognised this.

It is also clear, as Mr. Smith himself points out, that BOC is a reactive industry—it cannot set up in any new location where there is not an industrial demand. Thus, all overseas companies have become "entirely integrated with the local industrial scene," he says.

Mr. Smith believes that today "the reality is that these companies owe their first loyalty to their local communities and their second loyalty to the BOC group."

This is perhaps a contentious statement, but it is clear that certain safeguards already exist and changes are likely to take place which put the loyalty issue into a wider context. To start with, there are those aspects of business which require consultation with the U.K. Board. They are: any change in the capital structure of an overseas subsidiary; any moves into new areas of business or geographical moves with existing business; any local Board changes, particularly a chief executive; any investment that could affect the existence of the local company.

Another factor which puts the "loyalty" statement into context is the attitude which BOC is endeavouring to engender into its management—that is to look at local loyalties, but also to consider themselves as part of a multinational and thus look at activities with the international viewpoint in mind.

This has been a more recent innovation in management thinking and it has gathered speed with the hiving off of operational management of U.K. and European companies and it is worth looking at the background to that development.

As Mr. Smith explains, back in 1967-68 the company for years had been enjoying a monopoly position in the British gas business. It was reviewing its strategy but was on the defensive against Air Products, of the U.S., which was carving out a portion of BOC's market.

Defensiveness was further increased by a belief that the growth potential in industrial gases was slowing down from the post-war average of 11 per cent. to 12 per cent. A programme of diversification followed and to-day the company's activities range across welding products, vacuum engineering, medical equipment, refrigeration equipment and frozen food retailing and specialised food distribution.

Another outcome of the Air Products situation was that "it forced us to start marketing gases," says Mr. Smith.

Surprisingly, perhaps, the company had for years done virtually no marketing, so it obviously got a surprise when faced with competition. The resulting changes and performance of BOC show a healthier situation.

Mr. Smith feels that in the past five or six years BOC has "broken out of its defensive attitude," and in the U.K. has been able to halt Air Products market growth.

At the same time, it has re-thought its expectations of the gases market in the U.K. From plants producing 100 tons a day of gas in the 1950s, the size has increased to 1,500 tons a day plants in the mid-1970s. And Mr. Smith says he suspects that as more countries become industrialised, so BOC will become even more capital intensive.

He recognises that in the past five years there has been a growing authority in the minds of the U.K. management and that it feels it has asserted control over its problems. It was this increased assurance which culminated in the decision to earlier this year put the U.K. and European company into a position as near as possible to that of the overseas subsidiaries.

The Board of BOCI now concentrates its attentions on strategic matters, and is representative of BOC on a regional basis. The executive thus comprises Mr. Smith, together with Mr. John Williams, chairman and chief executive of the U.K.-Europe company; Mr. Beau Sutherland, chairman and chief executive of African Oxygen; Mr. Peter Laister, who has a watching brief over the North American operations; Mr. David Pitts, director of the Pacific region (Australia, New Zealand, Singapore, Malaysia, and other countries); and Mr. George Dillon and Mr. Richard Giordano, chairman and president respectively of Airco, the U.S. industrial gases concern in which BOC has a 36 per cent. shareholding.

BOC acquired its Airco stake as a result of a tender offer in December, 1973, but hit problems when U.S. Federal Trade Commission Judge Ernest Barnes ruled that the deal was anti-competitive and the FTC ruled that BOC should sell its stake.

BOC is appealing against the judge's decision, which requires ratification by the FTC itself and with oral and written representation for the appeal having been completed a decision is now awaited. Despite Boardroom representations, BOC is not allowed to exert influence over Airco, although it is allowed to consolidate in its accounts a portion of Airco's profits.

'PETE' ESTES OF GM

"Get rid of the big, old bad GM image"

Ashley Ashwood

MR. ELLIOTT ESTES—"Pete" to all his friends—the president of General Motors for the past year, comes from a typical GM background. Born in Michigan, he attended the GM Institute in Flint, training ground for much of the company's top brass before joining Oldsmobile as an engineer. Yet since Mr. Estes took on the presidency, and Mr. Thomas A. Murphy took on the chairmanship, there has been a significant change of emphasis in the world's biggest manufacturing company.

Pete Estes, himself, a trim moustachioed 59-year-old is much more extrovert and personable than the subdued engineers and accountants who have mostly occupied the top jobs in GM in the past few years. His back-slapping, christian-name style and pretended ignorance when parrying difficult questions (What should be done about Chrysler?) however, conceal a first-rate mind. He has a genuine desire to travel (Germany, Britain, Australia, South Africa and Latin America in two months) and to see things for himself, rather than relying on the highly efficient but over-extended GM lines of communication.

His arrival at the top coincided with the worst recession in post-war American automotive history. Car and truck sales in the U.S. slipped by 21 per cent., pushing Chrysler into heavy losses and moving GM itself perilously close to its break-even production levels. The company was heavily committed to the Wankel rotary engine, both through licence payments and through its own investment in capacity to produce the engine in volume. With the onset of the fuel crisis and the obstinate inability of the engine to develop better pollution standards, that investment suddenly looked very much like a blind alley.

There is little doubt, however, that GM's most serious long-term problem was what Mr. Estes himself refers to as "our bad credibility. I have been trying" he says "to get rid of the 'big old, bad GM image' which has been dogging us." To do this, Pete Estes himself and other GM vice-presidents have become much more active in meeting the Press, the public and governments both in the U.S. and abroad.

"Fuel economy and government relations have been the two areas where we have worked hardest" he says. "People don't realise it" he explains "but it is not bad going to introduce eight new small cars and six new small engines in just under two years." Despite Mr. Estes claim that GM as a company has no built-in inertia "we can" he says "move just like that" as he snaps his fingers; it is quite an achievement to have led GM, with its masses of committees and its hordes of engineers and production staffs to move so fast.

The orientation of GM has also been subtly shifted. For years, the company has dominated the prestige or large car market in the U.S. (for most Americans the two have been synonomous) and has paid relatively little attention to its small cars or to its overseas interests. In several markets it trails behind Ford. Its future was harnessed to the rotary engine, which was scheduled to appear in a dozen or so models, starting this year.

But Mr. Estes, who became president after a spell in charge of overseas operations and then the operations staff, has a much more international outlook than his predecessors. "As far as passenger cars were concerned," he remarked, "I believe the future for Vauxhall is a real recognition of the volume car, kind of the way that the international concept of the T-car has developed." He explained that the Chevette built in Britain, the Opel Kadett in Germany, the U.S. Chevrolet Chevette, the Gemini built in Australia and Japan, the Argentinian K 180, and the Brazilian Chevette are all versions of the same T-car. "They're all variations of the same theme and they're tailored to fit different market requirements. And they're from one basic concept, which really produces a high volume, low investment vehicle, which will be the name of the game in the future.

GM with its enormous engineering resources spread over half a dozen countries is better able to employ this worldwide approach than any other motor company.

He explains "At to-day's level of investment and costs, which have accelerated enormously, we've got to offer the buyer a wide variety of vehicles and to do so we've got to do it at minimal cost, and I think this world-wide concept is going to be developed over the next five or 10 years to a much greater extent than it is currently."

Vauxhall, therefore, will become more and more closely integrated, not just with Opel, but at least in design and engineering terms with Holden in Australia and Chevrolet in the U.S. as well. Mr. Estes expects American and European car buyers to be increasingly demanding the same size and type of car. He hopes to see Europeans taking to the options—power steering, automatic transmission, air conditioning, tape players—which have made small cars like the Chevette and Vega money-spinners for GM in the U.S. And he expects GM to continue to market two ranges in Europe—Opel and Vauxhall—against the five in the U.S., even though the ranges will become more and more alike under the skin.

As for engines, GM's love affair with the rotary seems to be over, though Mr. Estes carefully avoided implying that it would terminate its contract with Curtiss-Wright, the U.S. agent for Wankel. "The rotary," he said, "is a stirring example of not being able to predict technology improvements." Instead "we are gambling in the U.S. that we will be able to build diesels in the next two years—and we have developed a light diesel that we can use in either a car or trucks" Provided the U.S. Government raises the planned nitrous oxide levels, this could be an engine for the future.

James Ensor

MCA imposes executive search criteria

REVISED CODE of practice r those members of the inagement Consultants Association engaged in executive lection or executive search tivities has been drawn up to sure certain levels of ademic and professional comtence.

The qualifications of conltants will require approval of e Council of the MCA, which currently headed by Mr. alter Schroeder, managing rector of A. T. Kearney. At e same time, the code sets out nsultants' obligations both to ents and to candidates.

Executive search activities—frequently called "head hunting" and which attracted some bad publicity in the late 1960s—were banned to MCA members for four years until the Council decided to lift its veto in October, 1974.

Among the obligations which consultants must adhere to under the new code in respect of clients is that they should confirm that the client has a genuine vacancy and that the terms and conditions of the position are "suitable." Only candidates with suitable qualifications, background and experience will be put forward and prior to starting a consignment the consultant must confirm in writing the formal understanding regarding the type and calibre of person that is required. Details of fee and other costs must be given along with the terms and conditions.

Additionally, in no case may fees for selection or search assignments be entirely contingent on placement of an executive.

Consultants' obligations to candidates include their being satisfied that a job is viable and that a genuine vacancy exists and objectively portraying advantages and disadvantages of a job.

Norwegians favour worker directors

Fay Gjester in Oslo

OVER HALF of Norwegian company managers believe that worker directors have made a positive contribution to board meetings, since employee representation became the rule in Norway, over two years ago. This is indicated by a survey conducted by the business magazine "Økonomisk Rapport" (economic report). 48 per cent. feel the employees' contribution has been neither positive nor negative and only 1 per cent. feel it has been negative.

Some 200 directors of leading Norwegian companies replied to the magazine's questionnaire about how the scheme was working. On attitudes to company profitability, 78 per cent. said the employee representatives were just as profit conscious as other board members, while 22 per cent. said they were "less interested." 79 per cent. said employee representatives had not so far influenced decisions affecting the company's operations, but 55 per cent. said the conduct of board meetings had been affected by their presence. Effects mentioned included "more thorough discussion" of issues, longer board meetings, and "new aspects put forward." 12 per cent. admitted however that important decisions were often taken at informal board meetings not attended by the worker directors.

Workers in nearly 1,400 Norwegian companies now have the right to representation on the board. Companies with more than 200 employees are also required to establish "corporate assemblies" on which the workers are represented. A recent survey by the Norwegian employers' association indicated that the right of board representation had now been exercised in 54 per cent. of the companies concerned, and that corporate assemblies have been created in 64 per cent. of relevant cases.

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TUESDAY, NOVEMBER 18, 1975

Magniloquence triumphant

THE OFFICIAL communiqué issued yesterday, at the close of the meeting between the Heads of State of six leading Western industrialised countries to discuss economic issues of common concern, is written in a somewhat exalted style and *is moderately long. Its actual* content, however, is elusive. Although the various participants all expressed at their respective Press conferences their satisfaction in what had been achieved by the meeting —Mr. Ford, for example, spoke of "a spirit of co-operation and confidence stemming from a deeper understanding of our common destiny and our conviction that we can master our *future"—those who hoped that* it would produce a number of concrete measures to improve the international economic situation are likely to be a little disappointed.

The number of such people is, however, probably small. The men in the streets of the six countries represented at the meeting, even if they were aware that it was taking place at all, are unlikely to attach much importance to the assurance that it will bring them more jobs and a lower rate of inflation. Those who knew more about the meeting cannot have expected much to come out of *something originally intended* to discuss a French proposal about currency parities which the French Government itself no longer supports.

Inflation risk

They would have had more reason for anxiety, in fact, if the Heads of State had been more single-mindedly concerned to agree on methods of jointly stimulating their economies for the sake of reducing the unemployment which is now widespread throughout the industrialised West. There is no questioning that the U.S. must play a vital part in the revival of world business activity, that the recent indicators of a U.S. business upswing are at best ambiguous, and that the Administration has therefore been under some pressure abroad as well *as at home* to accelerate the process.

But the U.S. Administration and the Federal Reserve Board are also concerned to prevent a fresh outbreak of inflation, and that is *something for which* we should all be grateful. The inflationary nature of the past world upswing and the unusual *severity of the recession which* followed it were both due in part, at least, to the fact that everyone was marching in step. If the overriding purpose of Western governments were now to drive their economies simultaneously back towards full employment through the concerted use of stimulating measures, there would be a serious danger that the next upswing would be even more *inflationary and short-lived than* the last, the subsequent recession both deeper and more persistent. Too much co-operation can cause almost as much harm in economic affairs as too little.

Import controls

The two areas in which the generalisations of the summit seem most likely to produce early action are those of exchange rate policy and protection. While the French Government was anxious to see an early return to a system of fixed exchange rates, its position and that of the U.S. seemed totally opposed, in a way that affected their positions on other subjects. Now that France too has come to believe that a system of managed floating is best suited to present *circumstances*, the *central* bankers can usefully discuss between themselves possible methods of keeping fluctuations in exchange rates smaller than those that might occur in a totally *free market—though it* is to be hoped that no attempt will be made or encouraged to prevent the external value of a currency from reflecting in the medium-term its comparative rate of inflation.

Similarly with import restrictions. The Heads of State have come down against the principle of attempting to cure balance of payments deficits through controls and have undertaken to make a determined effort to break through the difficulties—notably the attitude of the EEC to trade in agricultural products —which have held up further progress towards free trade between them. It is to be hoped that the limited use of import controls in special cases, such as our own Government is now being pushed to adopt, will be strictly policed to ensure that *the cases are special and* the controls temporary.

Break for another cod war

THE FISHING talks with Iceland *have broken down or*, rather more accurately, paused for war. Mr. Roy Hattersley, the chief British negotiator, virtually admitted as much yesterday when he suggested that British trawler men would continue to fish as they had under the interim agreement which expired last Thursday, and added: "Neither they nor anybody else should be in any doubt that if they need protection they will most certainly have it." That means the protection of the Royal Navy. Iceland had already signalled its own intentions when its vessels cut the wires of British trawlers on Saturday.

Unilateral

A new cod war would be unpleasant for those directly involved, even though the number of physical engagements might be small—the Icelandic patrol fleet is tiny and there is a lot of water to cover. It would also be expensive and could lead to renewed Icelandic threats to leave NATO. Above all, it would solve nothing. Iceland cannot conceivably win a cod war, but it would be a costly irritant for Britain to have to fight it. In the end, the two sides will have to come back to the negotiating table and look at the facts anew.

The facts are that, legally, Iceland is in the wrong. There is no basis in international law for its claim to a 200-mile fishing zone. It was a unilateral declaration which was the more regrettable because international negotiations on a general move to 200-mile zones are still going on as part of the United Nations Conference on the Law of the Sea. On the other hand, the Icelandic economy is almost entirely dependent on fish and there is a problem about the depletion of stocks if fishing continues at its recent levels. For this Iceland *deserves some sympathy* which has not always been apparent in the British attitude.

The Icelanders claim that they already made a major concession in agreeing to consider allowing British trawlers inside the old 50-mile limit at all. Once they had done so, the argument was almost exclusively about the allowable catch. Under the agreement which expired last week this was *130,000 metric tonnes* a year — an indicative figure which the British sometimes exceeded. Mr. Hattersley began by demanding the same figure in the new agreement, but in the last round of talks dropped to 110,000 tonnes which he said should not be indicative, but an absolute ceiling. The Icelanders refused to budge from 65,000 tonnes, which they proposed three weeks ago. Clearly the British expected *further concessions* in a last-minute haggle.

Longer term

There is no profit in this situation for Iceland. Without an agreement with Britain, it is unable under Common Market Protocols to get favourable access for its fish and fish products to the European Community. It may even find that Britain will retaliate by restricting the Icelandic herring catch off the coast of Scotland, where there is also a serious depletion problem. But as a small nation it may be that pride will come first and that the attempt to start the talks again will have to come from Britain. One way for the British Government to approach the question would be to look beyond the short term to the time when Britain too will *have a 200 mile zone. That will* involve all kinds of new sharing arrangements which can be discussed with Iceland alongside the immediate problem of next year's catch.

Public borrowing: new ideas for a new problem

BY ANTHONY HARRIS

IS THERE any need to worry about the problem of financing the State's enormous need for borrowed money? It may seem crazily irresponsible even to raise this question at a time when an unprecedented amount of worrying is being devoted to precisely this problem, especially in the City; but it is worth asking nevertheless. First of all, it is quite seriously being asked in the course of the intense discussion which is now going on inside Whitehall and the Bank of England about the right strategy to adopt in face of a huge *and persistent* public sector deficit.

Secondly, it is quite possible to describe our present dilemma in traditional demand-management terms, without mentioning the financing problems involved, and to argue that the financing problems—swings in the gilts market, the much-discussed possibility of "crowding out" impeding recovery in the future—are merely shadows of the substantial problem: the rival claims of the public and *private sectors on resources.*

The traditional or Keynesian account of our present problems is very much the one recently given by the Chancellor to the back-benches of the Labour Party. In Mr. Denis Healey's own words: "Although it is possible for the Government to finance, without undue inflationary consequences, a public sector borrowing requirement of the current size while there is a very *high level of private saving* and a low level of investment, that will not be possible once the economy recovers."

Reducing the deficit

In other words, the trouble is that while the deficit is contra-cyclical, the policies which produced it are not: it is necessary to start cutting public spending now so that the deficit itself can in due course be reduced without, as Mr. Healey warned the back benchers, raising *income-tax* on ordinary working incomes to 50p or more.

This analysis makes no mention of any financing problem during the present phase—the stage at *which* the *private* sector is saving a great deal and investing very little: and the more logical exponents of the "real resources" view of the matter would tend to deny that *there could be any such* problem. The money is there: if the public sector is the only borrower, then it will find its way into public sector debt. The worries of those in the Bank *and the City who actually* organise this flow are purely technical and transitory: a child building dams and streams on the beach may choose to imagine that he is influencing the rise and fall of the tides, but grown-ups know better.

However, public sector debt is of many different kinds, ranging from banknotes to long-dated securities, and the question remains whether there is any need to worry—from day to day, at any rate—about the form in which the debt is *held.* The most relaxed view is that there is not, at any rate while the private sector is so subdued. If doubts about the gilt-edged market lead institutions to build up deposit accounts, or doubts about future job prospects or retail prices impel ordinary people to keep more ready funds in hand than they used to do, there is no need to devise official policies to thwart them.

In this view, money holdings simply reflect fears of future inflation: as the economy is brought under control and fears abate, holders will invest their funds in longer-term assets which are more rewarding. Except in the short term, and during psychological crises, the public sector's deficit generates the funds for its own financing, and this is reflected in sales of *Government securities, as is* shown broadly in the chart. Monetarist worries about the time-lags and policy errors which cause the two lines of borrowing requirement and financing to diverge from time to time—divergencies which are reflected in the money supply figures—reflect a neurotic refusal to see the wood for the trees.

The debate took on a new and rather ironic twist yesterday, when the latest monetary figures showed that monetary growth was slowing, but monetarists pointed out that the growth of liquidity was still excessive. *The reason is simply* that because the private sector demand for funds is now so sluggish, the banks have been ready enough to see the public sector outbidding them for funds. Company treasurers can do better by buying Treasury bills or lending to local authorities than by lending their money through banking intermediates.

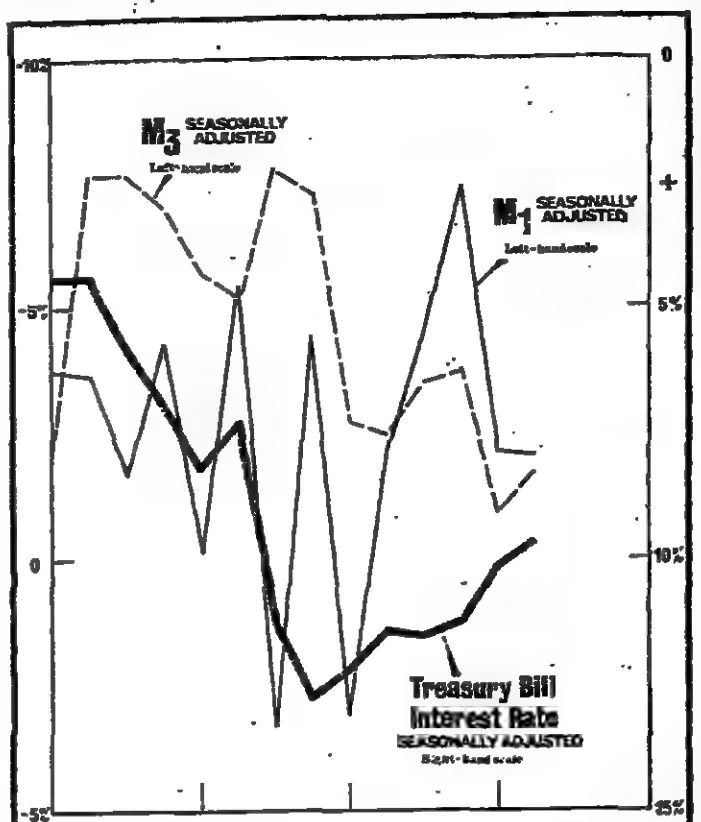
A switch of funds

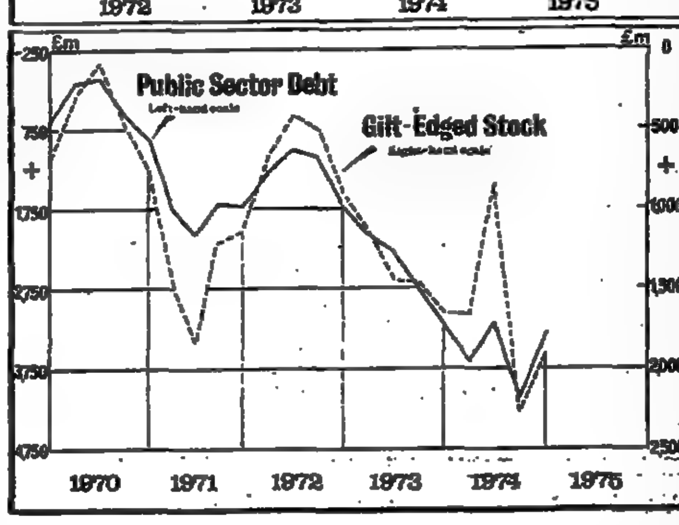
This "disintermediation," to use the horrible American word for the process, allows liquidity to grow outside the money supply. A switch of personal funds out of bank accounts into building society deposits has rather the same effect. Monetarists, who treat the money supply figures as highly significant when they are apparently misbehaving, are thus reduced to pointing out that they are inherently misleading when they show apparent restraint. Their opponents can score a solid debating point if they argue that these new doubts must to some extent undermine all the apparent certainties of the past.

It is worth stating this anti-monetarist case at some length for two reasons. *First, it* explains a lot about official policy, because official advisers tend to think like this. Second, it does raise genuine doubts about monetarist slogans which *require* an answer.

The official view — very broadly, and with some vehement exceptions — is that the money supply is a symptom, not a cause, of developments in the economy, and can be tackled, so far as it must be tackled, at reasonable leisure. If the money supply is growing too fast, then interest rates are probably too low. If the interest rates required to attract private surpluses into long-term stocks are excessive—if, that is, they are likely to discourage *industrial investment—then this* indicates the need for a stricter incomes policy, which will soothe inflationary expectations and so reduce interest rates.

This working model of the official mind explains a great deal of official policy in recent years. The main exceptions mark the periods when Whitehall decided to ignore monetarist arguments altogether and engineer a monetary expansion to get the economy moving out of recession. The non-monetarist explanation of why this policy went so wrong under Mr. Edward Heath is that the effort was mistimed: although employers were economising in labour, as a reaction to a very strong wage push, there was little spare capacity in the economy. So the expansion went to finance speculation and imports rather than higher output.





What can be urged against this quite persuasive account of recent history? The most cynical argument is that since investors, and especially foreign *investors, persist in thinking* the money supply is important, it therefore is important: monetary policy is a matter of window-dressing to engender confidence in what is going on inside. The argument which is most persuasive in Whitehall is that liquid funds are quite strictly outside any form of Government control. Demand management itself is impossible unless the private sector's access to funds can be regulated, and this probably involves mopping up excess liquidity as it accumulates, even if it seems harmless enough for the time being.

The City argument goes further: a closer attention to monetary policy, backed by a closer understanding of financial markets, is essential if the Government is not inadvertently to disrupt those markets, thus making it very difficult for the private sector to finance itself. Economic analysts are now beginning to add one more argument: benign neglect of financing problems, on the general ground that the Government can usually borrow back what it pays out, has led to errors in policy very like those which companies make by using misleading accounts which do not allow for the effects of inflation.

Practical results

The whole debate, which involves re-stating the purpose of monetary policy itself, is now beginning to have some potentially valuable and practical results. Whitehall is more attentive: its critics more thoughtful and inventive. One example from the City, and one from the world of practical policy, may suggest what could *come out of the argument*— which incidentally is an argument in real fact, since Treasury and other officials are taking greater pains to discuss the issues with financiers and other critics than was ever their habit in the past.

On the City, or technical side, one result has been a proposal floated by Greenwell, the gilts specialists, this week for a new type of Government security, which would carry a floating rate of interest. This idea has long been familiar in the Euro-bond market, but not in the gilts market.

This apparently technical proposal involves a whole revolution in thinking. First, it challenges the normal assumption that money supply policy and interest rate policy are but two names for the same thing. Secondly, it challenges the authorities to adopt a market-oriented approach to their borrowing, devising securities which meet identifiable investment needs.

The idea that high interest rates are required to restrain the demand for credit and to attract buyers to long-term securities is so much of a truism that it may seem a bold step to challenge it: but Greenwell relies on two well-known facts. The first is that survey after survey has shown that companies pay very little attention to interest rates in making their investment decisions. This is partly because investments take years to plan and execute while interest rates are volatile, partly because high rates usually mean a high rate of inflation and this means higher money earnings, and partly because companies investing their own funds take little notice of opportunity costs—the returns available in financial markets. Companies respond to market conditions and their own cash flow problems, but only sluggishly to their balance sheet position. This suggests that a policy which could achieve tight liquidity without forcing up interest rates would still give the authorities adequate control of the flow of company outlays.

At the securities market end the problem is different: it is that action to raise interest rates which imposes capital losses on holders of Government stocks.

This has two results. First, any sudden move in interest rates tends to unsettle the market, so that gilts are actually harder to sell for a time after any sharp rise: this is reflected in the apparently perverse behaviour of M3, shown in the chart, in tending to grow rapidly for a period after each rise in rates. But there is a worse problem: *if the authorities have a declared policy for controlling the money supply* then the market begins to respond to the *threat* of higher interest rates: and this means that if there is a burst of growth in the money supply *investors become less* willing to invest because they think the authorities will have to raise rates to mop up the excess. This leads to an inherently unstable market, where monetary growth, by inhibiting investment, causes still more money to pile up in bank deposits.

Largely immune

A floating rate bond, which would have a pretty stable money value (it would essentially be a long-term Treasury bill with a premium interest rate) would be *largely immune* to these effects. It would particularly suit the needs of some investors, such as building societies, which tend to pile up excess funds when market rates are low. *It would enable* the authorities to some extent to treat monetary growth and interest rates as separate objectives.

Financial inventiveness of *this kind* is badly needed at a time when such vast funds must be invested annually: a Henry Ford Model T policy—"any colour you like as long as it is black" — does not suit a saturated market. This is hardly likely to be the last such proposal to emerge from the financial community: the main question is whether the authorities can do their own marketing job with enough sophistication to employ such constructive proposals.

MEN AND MATTERS

Life with the ex-Lyons

Dennis Steafel perhaps over-emphasises the way times have changed when he said: "It's the difference between the executive dining-room, complete with *cordon bleu* cook, and the Wimpy Bar across the road." Nevertheless, the contrast is dramatic. Until the beginning of last year, Steafel was company secretary and group solicitor for the Lyon property empire, whose downfall was really the first in quite a queue.

Lyon, unlike many other property companies, was a big employer, and it tried to do most jobs (including architecture and surveying) "in house." Carrying those sort of overheads hardly helped when the market went sour, but it has led to several groups of ex-Lyon *people getting together again* (often sitting on Lyon furniture and using other bits of equipment from the old firm) in small new companies.

Steafel is in business nowadays with former Lyon finance director Tony Winterton and ex-technical director Jim Clark. On one floor of an anonymous block behind some shops in New Malden, Surrey—so unlike the huge and *far from beautiful* Lyon Tower a few miles away in Colliers Wood—they run Abingville Securities with a total staff, including three labourers, of 12.

Their main task to date has been on a site that Lyon had been developing with low-cost housing at Weston-super-Mare. Building and selling agency contracts were negotiated with Barclays Bank, *which had fore*closed on the development, and all the plots are now sold. There is another small scheme at Axminster in Devon, and hopes, Winterton said, of a break-even position at the end of the first year and "reasonable" profits in 1976-77.

Winterton, as an auditor, first became associated with Ronald Lyon 15 years ago when Lyon was working from a site hut on a trading estate at Hersham and employing, like the fledgling Abingville, a dozen people. Winterton said that Lyon, now *concentrating his energies on* an agricultural consultancy which hopes to sell intensive farming to the Libyans, still rings him about once a week to talk shop.

Not only have the Abingville executives learned to worry as much about an individual bathroom suite as they used to worry about multi-million contracts, there is also intense penny-watching. Steafel, who joined Lyon from the Hammerson property group, said: "Here we're at the grass roots. The telephone bill came in this morning and we hiccuped . . . it's our own money now."

Another ex-Lyon grouping is called Project Design Partnership, which unusually combines in one partnership an architect, quantity surveyor and a civil engineer. The architect, Graham Fyson, reported that inquiries have been turning in the last month into actual work. After the gloom of Lyon's demise, all encouragement must be welcome. "We may bitch about it," Winterton declared, "but we must love the life."

Piggy

"BOCM Silcock are introducing apple flavoured russet-gold coloured creep feeds," says the Press release. Two brands will be available—"Baby Suckleecare for pigs weaned at less than 28 days, and Creepcare for pigs weaned later." Sounds dreadful but it might, I suppose, save on apple sauce.

"Another case of these who make the most noise getting the most money!"

Georgie

The *Royal Chelsea Hospital* has just obtained possession of an original document signed by George III and dated August 6, 1762, which instructs the then Paymaster General, Henry Fox, *to make deductions from allow*ances to the officers of the disbanded troops of Horse Guards in order to maintain the hospital. Other signatures on the document include that of the Earl of Bute and, according to the British Museum, which authenticated the document, examples of Bute's signature are rare—making the document itself quite valuable.

It was presented to the hospital by Frank Stamp, a restaurant owner from Denham, Bucks, who bought it 20 years ago in a junk shop because he thought it would look nice in his restaurant. Only recently did he decide to have it examined and discovered its real worth.

But the donation is not just a personal gesture: it marks the first positive step by a little-known but fast-growing organisation called the St. George's Day Club. On St. George's Day last year—April 23 — 20 of the 24 founder-members of this club sat down to an inaugural dinner at the Beehive Hotel in Bushey, Middlesex. To-day the membership is even more widely spread and most of the now 220 members *plus more than 100 guests* attended an autumn lunch at the Park Lane Hotel to eat traditional English fare and to be entertained by the band of the Grenadier Guards.

The original membership was a mixed bag, ranging from directors of the Arsenal Football Club through solicitors, publicans, members of family building companies and so forth. The aim, refreshingly, was not any para-military organisation to stop the rot, but simply to register pride in being English, to celebrate St. George's Day to the same extent that the Welsh and the Irish honour their *patron saints, and to raise funds* to preserve English buildings and support English charities.

Now the membership includes leading businessmen—including Stuart McIntyre, chairman of Pearl Assurance, Thomas Freakley, director of Taylor Woodrow—prominent sportsmen including former cricket and rugby internationals, and people from all walks of life. On *Friday, as they all lustily* sang Rule Britannia and Land of Hope and Glory accompanied by the band of the Grenadiers it felt a bit like an off-beat last night of the proms.

Ducky

What did the duck with two wings say to the duck with one *wing? "There's no argument*— it's just a difference of a pinion!"

Observer

FINANCIAL TIMES SURVEY

Tuesday November 18 1975

QATAR

The industrialised West has had to come to terms with the developing countries of the Middle East, with their vast oil and other resources. There is probably no better example than that of Qatar, where the traditions of Islam resist and yet co-exist with alien philosophies.

\dvance ınder he flag)f Islam

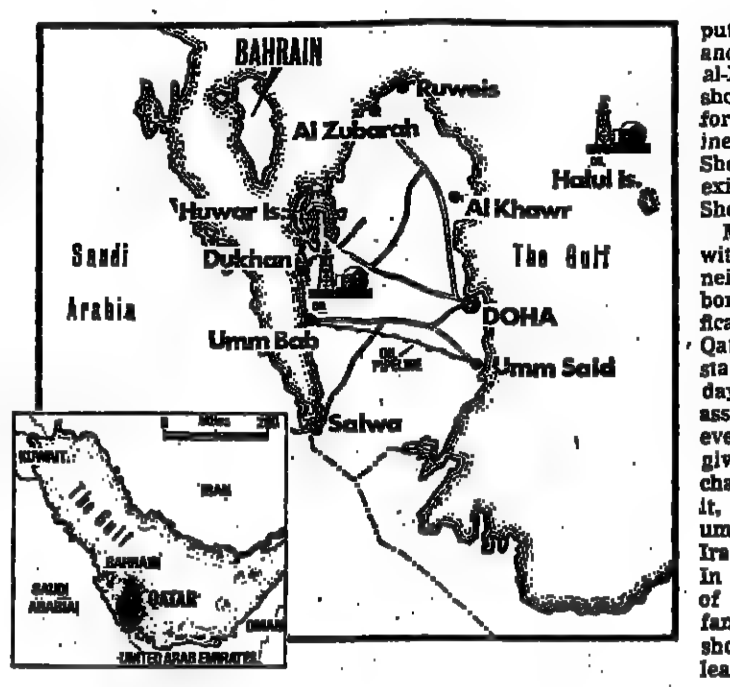
{ HIS recent visit to Paris ə Emir, Sheikh Khalifa bin :mad al-Thani, was asked ıether Qatar was going to ɔe with the problems created industrialisation. His reply s supremely confident. "Our ɔple are intrinsically austere d pious, and our Islamic pat- ɴ of life is the answer to the allenges of industrialisation ɔblems." Change in Qatar is ing introduced by the Emir a discreet but pragmatic way suring that the traditional lues of Islam are not eroded.

Modernism has certainly not en rejected but it is being ıbraced and tempered to suit ə Qataris who seem in no rry to adopt the vulgarities wealth or compete too openly th their Gulf neighbours. eikh Khalifa is determined t to let his people forget their st rooted in tribal traditions the desert, or pearling and ıding in the Gulf. This deter- nation is symbolised by the ıgnificent museum opened this year. Created out of a former palace the museum illustrates the cultural background to the region (including a fascinating film on how a Bedu sets up his tent, a vanished way of life except in the extreme south near the Saudi border) alongside a display of the various uses of oil. It is the only venture of its kind in the Gulf.

Also Doha, the capital, is being laid out in orderly fashion, with care taken to preserve the amenity of the fine curving corniche that gives on to the emerald waters of the Gulf. But it would be wrong to assume that things are static. Expensive cars block the entrances to high schools, parked while the students study, television (two channels and in colour) penetrates most homes with American thrillers, women still wear the veil but the beak over the nose is no longer obligatory. The ban on alcohol has been waived for foreigners who can acquire it through a special licence (or via more elaborate arrangement in one of the hotels). This is despite the very strict tenets of the Wahabi adherents to Islam—in which the Qataris are like their Saudi neighbours. A university is planned—albeit with an ingenious system of separate entrances for the men and women. In themselves these may sound trifling innovations to an outsider but in the context of the hitherto sheltered and underdeveloped economic and social life of Qatar they are significant.

It is too early to talk of a real conflict of cultures, or a questioning of the means of Government. The vast bulk of Qataris prefer things as they are. The population is so small, the native Qataris account for perhaps as little as 30,000, that alienation is difficult and the ruler can maintain contact through the traditonal *madjlis* which all of his subjects can attend.

The Ruler prefers to run the Government very much *himself*. Though a tireless worker the load is tremendous. This is increased by his involvement even in minutiae. He is said, for instance, to sign in person all cheques over QR100,000. While such personal involvement has advantages, it also means that decisions are easily delayed, particularly if he is absent. It seems he would like to delegate more, at least in theory. When he deposed his cousin, Sheikh Ahmed, in February 1972, two months later he established an Advisory Council as a sort of technical back-up to the Council of Ministers over which he presides. This he envisages as a first step and he apparently intends to enlarge the 20-man Advisory Council. All the same Government is kept within the family circle, and all key portfolios are held by family members.



It was Sheikh Khalifa, while still acting as Deputy Emir and Prime Minister, who, finding irreconcilable differences between the seven Trucial States, Qatar and Bahrain over federation, declared independence in September 1971. Despite this move to go it alone outside the Emirates, Sheikh Khalifa still believes ultimately in the Gulf federation. Earlier this year he called for the creation of a Gulf common market. He has also lent his support to the idea of establishing a Gulf security pact to ensure stability for the various states of the region.

Much ground, however, still needs to be covered on all these issues. Relations with neighbouring Bahrain have yet to be put on an even keel. The outstanding bone of contention is the status of the Huwar Islands just off the coast of Qatar. These islands form part of the Qatar landmass but have traditionally been claimed by Bahrain. The islands are close to the onshore Dukham oilfield and oil rights are a consideration. With its opposite neighbour Abu Dhabi on the other hand, agreement has been reached over their disputed territorial waters. Qatar and Abu Dhabi now share the al-Bunduq oilfield, which will shortly come into production. As for relations with Dubai, these inevitably remain sensitive since Sheikh Khalifa's cousin lives in exile there and has married Sheikh Rashid's daughter.

More important are relations with Saudi Arabia, the big neighbour on the southern border. There was a close identification with King Feisal and Qatar was one of the very few states to observe the full 40 days' mourning after the latter's assassination in March. However, King Feisal's death has given Sheikh Khalifa the chance, if he wishes to exploit it, to move out of the Saudi umbrella. As it is, relations with Iran across the water are good. In all this intricate diplomacy of personalities and ruling families Sheikh Khalifa has shown a deft hand—not the least by refusing to spend large sums of money on defence when clearly the State could do little against armed external aggression.

On the broader Arab front Qatar has been generous in supplying the only kind of support it can—money. Just how much has gone to the frontline Arab states and the Palestine Liberation Organisation is not known but it is considerable. This year Egypt in particular has received or been pledged nearly $200m. in the form of aid, grants and investment loans. Qatar has also agreed to participate in the proposed Arab arms industry to be based in Egypt. The State's share of this could be $400m. Assistance has not been limited to Arab countries. Other small grants and loans have gone to African and Asian countries, but generally these have been fellow Muslims. France is the only industrialised country to have received loans ($150m. was lent earlier this year).

There are signs that the Qataris are becoming a little tighter on those coming round with the begging bowl. The economy, which until now has simply not been able to absorb the surplus revenues in the order of $1.4bn., is being developed. Budget expenditure and the payment for imports is rising sharply and the Qataris are now looking more to their own needs.

Qatar could spend $1.5bn. on industrial projects over the next three years in an effort to broaden the economic base. Certainly they have money to spend with $11 being earned from every barrel of oil produced. But developing the economy is not going to be as simple as it might seem. The negative aspect of such sudden wealth is that life for most Qataris is just too easy: short of manpower and skills they can afford to pay others to do the work while they fill out the jobs in Government or as taxi drivers.

This dependence upon others has created an extraordinary racial pyramid within the State. At the top are the Qataris, beneath them are Western and Arab managers; below that are Arab, Indian and Pakistani technicians and then come a mixture of labourers: Iranians, and Baluchis. In all there is now a population of around 120,000. Thus the Qataris may comfort themselves that they are at the top of the pyramid but they are outnumbered almost four-to-one and this must increase as the economy develops. More than anything else this population imbalance may prove Qatar's greatest problem in the future.

Robert Graham
Middle East Correspondent

BASIC STATISTICS

AREA	4,000 square miles
POPULATION	120,000 (est.)
TRADE (1974):	
Imports	QR1.1bn.
Exports	QR9.2bn.
Imports from U.K.	£22.1m.
Exports to U.K.	£166m.

CURRENCY
£1=8.15 Qatari Riyals

One of the singular features of Qatar is the narrow population base and consequent limited Qatari participation in the economy. As a result most of the planned development of the country will have to rely on foreign nationals.

The economy

ONE OF Qatar's show pieces is an experimental farm north of Doha lying in the middle of flat arid desert which characterises so much of the peninsula. The farm is testing, with a good deal of success, various types of citrus and vegetables, proving that it is possible for Qatar to achieve in the future a major degree of self-sufficiency in agricultural needs.

The farm is managed by an Egyptian assisted by an odd mixture of Egyptians, Palestinians and Baluchi labourers. There are no Qataris. Agriculture may seem a poor example but throughout the economy in every sector foreigners are the mainstay of development. This dependence upon foreign help—from management through to unskilled labour—is the most predominant feature of the economy alongside the near total reliance on oil.

The need for foreign manpower is perhaps not so surprising. Qatar has a small local population. Before the advent of oil in 1949 the economy was based round a small trading community at Doha which lacked the strategic siting of, say, Bahrain or Dubai to be an important centre. Much of the population which now clusters round Doha was also still nomadic. In fact the real changes that have taken place have occurred in the past five years—and at an accelerated pace over the past two years as the quadrupling of oil revenues has transformed the State from being merely very prosperous to being very rich. The Government take per barrel of oil produced is $11, and this year with a 20 per cent. drop, production will still average out at about 420,000 b/d.

However, to present this wealth in terms of GNP or per capita income is extremely difficult. To start with no one really knows what the population is and what proportion are actually Qataris. Estimates differ enormously from a high of 180,000 to a low of 100,000. An informed guestimate—and nothing else—puts the overall population at no more than 120,000. Of these the Qatari citizens comprise 50,000 at most, though even this is considered high and a more sober estimate would be in the region of 30,000. Thus one is left wondering whether to attribute this income to the Qataris alone, who are after all the chief beneficiaries, or to the population as a whole. It is safer to assume that things are still at a stage where many of the economic norms just do not apply. Hard facts are as elusive as the population.

With this shortage of manpower and skilled Qataris, the Emir has been faced with an awkward choice as to how to disburse the State's revenues, which last year totalled $1.4bn. In one sense creating a job means creating a problem—the kind of industries suitable to the economy are precisely those which require high technology utilising the country's oil and gas resources. This in turn means importing outside assistance which involves more housing, provision for more schooling, etc. Yet on the other hand provision has to be made against the eventuality—on latest calculations 40 years on—of the oil reserves running dry.

Cautiously

Unlike some of its neighbours Qatar has moved very cautiously in disbursing its funds: even too cautiously in the eyes of some. *At present there are only four* industrial plants of any size—a cement works, a small local refinery, a fertiliser plant and a natural gas *liquefication* (NGL) plant. The oldest of these is the cement works which dates back to 1969, while all the others have come onstream in the past two years, the newest being the NGL plant which was formally inaugurated this year. This cautious beginning on establishing a limited industrial base is now about to be followed up by an ambitious series of schemes aimed at diversification but all are export-orientated. Based round Umm Said, situated on the coast 30 kilometres to the south of Doha, the Government intends to create a fully fledged petro-chemicals industry in addition to steel (using gas reduction) and aluminium. Given the sole basic resources of oil and gas these are considered the most viable ventures.

Already the fertiliser plant, with a capacity of 1,000 tons of urea and 900 tons of ammonia per day, has proved successful. It came on stream just at the moment when world fertiliser prices were reaching a peak and is now likely to amortise itself well before the original ten year target. However, if the Government intends to utilise gas as *the base for industrial projects,* it will have to fix a competitive price on it. Gas, especially from the offshore fields, could be *costly to develop and a cheap* price will be essential for the ore reduction in the steel plant and in the proposed aluminium *smelter.*

The Government has also had to learn the lesson that plant based upon associated gas (like the NGL plant) is vulnerable to any sharp drop in oil production. This year has seen the NGL plant running at times on a stop go basis because it has lacked feedstock with oil production down 20 per cent.

Despite these potential pitfalls, it *is very hard to* identify areas where money can be spent to broaden the economic base. A major effort is *being made to improve* communications—*a new airport* is to be built and a satellite station is planned. The port *is being expanded and even now* is one of the least congested in the Gulf. Attempts are being made to create small centres *outside of Doha* to prevent over-concentration on the capital. Considerable effort is being put into agriculture (over 1,000 tons of vegetables are exported a year) but none of this can really conceal the narrow base of the State's potential resources.

In all the Government could spend upward of $1bn. in the next four years on industrial projects. However, this year's investment budget allocates less than $100m. The investment budget as a whole totals under $500m. Apart from industry the main areas of expenditure are —social services QR602m. *against QR182m. the previous* year, economic services QR477m. (QR181m.), cultural services QR275m. (QR120m.) and public *services QR144m. (QR51m.).* The social services heading includes power supplies, water and housing; economic services comprises transport communications, lighting and agriculture; while public services mainly involves expenditure on health (including a 600-bed hospital), information and broadcasting. In each case there has been a quantum jump in allocations compared with the previous year.

Published

How much of the Budget is actually spent is questionable. A senior Government official claimed that 90 per cent. was disbursed. Foreign observers put the figure nearer 50 per cent. However, there is a basic confusion because the Budget which is published (and then it is only published in sketchy detail) refers to investment expenditure and does not mention current expenditure. Thus while the investment budget for this year is QR1.8bn. the overall budget is said to be in the region of QR4.5bn.

This brings us into the hazy realm of what actually are the surplus funds *being left over.* A Government official said that total revenues for this year are estimated at QR7bn. with expenditure fixed at QR4.5bn. Although not specifically stated this expenditure is taken to include foreign aid, grants and loans plus defence. Assuming a high degree of disbursement it still leaves a good QR3bn. sur*plus on the most* conservative of estimates.

Next year's Budget is now being drawn up and preliminary estimates put total expenditure at over QR5bn. with revenues about the same as last year around QR7bn. Clearly as some of the major industrial items get under way expenditure is going to gradually catch up with revenues. Investment costs are sharply affected by external inflationary pressures since almost everything has to be imported including the m... power. The impact of ra... expenditure has also crea... internal inflationary pressu... and unofficially inflation is s... to be over 25 per cent. wh... rents are skyrocketing, push... up by active land speculatio...

So far these pressures ge... rated by a heavy increase... Government expenditure an... *rapid circulation of new wea...* have been kept within orde... limits. True there is an ac... housing shortage for expatria... and Doha's two main hotels... packed with businessmen,... the signs of congestion visi... elsewhere in the Gulf are... evident here. Perhaps this... because the Qataris have b... cautious and started a li... later than others and the... boom is only just beginning... take shape. Hopefully also i... because the Qataris are anx... to retain a sense of proporti...

R.

Surplus funds

OF ALL the oil producers Qatar *must be among the most secre*tive about surplus funds. Very little is known and even less is made public, and clearly this *is the way the Qataris prefer it.* There are not even any up-to-date balance of payments figures to work on.

Crude estimates have been made that last year Qatar had a payments surplus on current account of just over $1.1bn. This is based upon oil revenues of $1.4bn. and an import bill of just under $300m. However, Qatar has been generous in its aid to fellow Arab countries, in particular to Egypt, Syria and Jordan and it would be safe to assume that a good deal less than $1.1bn. was put into reserves. One unofficial estimate for reserves doing the *rounds in Doha is $2bn.* but bankers on the whole believe this is far too high.

Management of Qatar's *reserves is now entrusted to an* Investment Board which is headed by the Emir's son, Sheikh Abdulaziz Bin Khalifa, the Minister of Finance and Petroleum. This Board also contains a representative of Coutt's *Bank and a Swiss banker* who works for Lombard Odier. Backing this up is a newly-opened investment office in London which will carry out research and studies and also offer advice on the placement of Qatar's surplus funds.

Apart from these two *sources* of advice and management a number of other banks are used. In London both Hambros and Barings are involved, while in France, it was recently disclosed, Parisbas is Qatar's adviser. A certain amount of funds are channelled to the U.S. also via the Qatar National Bank's connection with First National Chicago.

The bulk of Qatar's reserves, according to a Government official, are held in "about *seven portfolios" of the main* currencies. Recently holdings in sterling have been run d... and less than 10 per cent. of... total portfolio is now belie... to be in sterling. Do... holdings are said to h... *slightly increased though...* more than $300m. is belie... to be held in this currency...

These reserves are belie... to be *highly liquid* and ne... all placed on short call. T... reflects a basic reluctance... commit to long-term exte... investments at the mom... Unlike some of its *fellow...* producers Qatar has never b... publicly known to take up... equity holdings. It has h... ever, taken a 30 per cent. s... in a French comp... Compenor, in partnership w... CDF-Chimie which is build... a petrochemical complex... Dunkirk. It has also... *$100m. to France and place...* further $50m. with the Ban... de France against purchase... French goods.

R.

Little is known statistically about Qatar's financial affairs, and as in other sectors of the economy there is no great Qatari participation in banking. The Government seems happy to accept this situation, but with supervision.

Banking sector

RIGHT IN the middle of Doha's sweeping corniche a discreet but elegant building is *nearing completion.* The exterior is faced with glass, coloured a dusky burnished gold. This is to be the new headquarters of the Qatar Monetary Agency (one hardly need add that the colour is very apt). Like the building, banking in Doha is discreetly expanding but nevertheless letting no one forget that, for the size of the State, business is good.

The Qatar Monetary Agency at present performs a very limited function. It acts as the issuing authority for notes and coins, and in practice little else. To give a sense of proportion its staff totals under five persons—itself a reflection of how the acceleration in resources has outpaced Qatar's infant institutions. Because of its experience and position as the Government bank, the State-owned National Bank of Qatar *does perform in effect some of* a central bank's functions. However, once the Agency moves into its new headquarters, things *are expected to change—though* not necessarily so fast. Bank of England advice has been sought on expanding the Agency and on staff recruitment. Shortly a Moroccan will be coming out to help organise the expansion under the Bank of England's aegis. There is still some uncertainty whether the name "Monetary Agency" will be dropped for the title of Central Bank. But probably so long as the Saudis stick to their Monetary Agency the Qataris will do the same.

Since the vast bulk of expenditure comes directly from the Government, the National Bank of Qatar is in a privileged position, and is far in a way the biggest bank (handling over 35 per cent. of business). Until this year there was no other Qatari bank. However, this is now being altered by the appearance of the Qatar Commercial Bank, a venture by a group of private traders with management advice from Chase. In *principle* there are no restrictions on the establishment of foreign owned banks but it seems that with 10 now operating, *it is unlikely that more will* be accepted for the time being. There are those who argue that Qatar is already overbanked. *The foreign banks are sharply* split between those with traditional links, the British banks such as British Bank of the *Middle East, Chartered and* Grindlays and the recent arrivals like Parisbas and Citibank, following in the wake of *their clients as non-British com*panies have penetrated the import market.

Personal

The banks operate under an inter-bank agreement which, *according to some,* is *honoured* more in the breach. Perhaps this is understandable where there is no real banking insti*tutional authority and* new banks come in to try to establish themselves. Interest rates are restricted to a maximum 7 per cent. for one year deposits and the lending rate is restricted to 9.5 per cent. The new banks, with their need to create a deposit base have found it on occasions too tempting not to offer over the limit. Another feature of the new banks has been a tendency to lend a great deal in order to attract business, with the result *that they are short of funds.* However, the new banks feel in other ways they have an advantage. Paribas, for instance, *prefers to go for* selected big clients offering much personal attention, and avoiding the problems of many small accounts which are not necessarily very profitable.

At present, with the exception of the Qatar National Bank, there are few surplus funds. In embryo nevertheless is the placing of surplus funds with clients elsewhere in the Lower Gulf through a brokerage firm in Abu Dhabi. The expansion of business since the massive increase in *oil* revenues is dramatically illustrated by the rise in deposits. Total deposits in the banking system at the end of June was QR1,032m., a 31 per cent. jump on the same period the previous year when they stood at QR703m. Parallel *with this,* advances *by the* banks rose from QR626m. to QR1,008m.

The biggest growth has been *registered by the* Qatar National Bank whose combined assets last year rose by 86 per cent. It was able to chalk up *a 140 per* cent. *increase* in profits to QR26.6m. in addition to a 15 per cent. dividend, a one-for-one bonus share issue *plus* transfer QR5m. into special reserves. The bank enjoys a five-year tax exemption which is due to end next year.

There are virtually no restrictions on bank activity but the bulk of the bank's business is concerned with import financing. However, some bankers note a sharp increase in the need for project finance, *which seems bound to* continue, as the major projects planned here begin to get under way. Qataris have also taken to borrowing substantial sums for land speculation. Further, with the growing number of expatriates working here, coping with remittances is also important business. Although there are no foreign exchange controls or limits on foreign currency dealing, until now the banks have not become heavily involved locally. However, with the *rial linking to* SDRs in March (the rial being revalued against the U.S. dollar from QR3.96 to QR3.80) there has been room for speculation. The rial at one stage in July drifted up to as high as QR4.20 to the U.S. dollar but is now back to around QR3.93.

Because the community is small much business is still done on the basis of reputation and name, which means... normal guarantees for lend... do not simply apply. By... same token the banking sys... has a fair amount of what... normal terms would be... sidered bad debts. Moreo... because the system *relies...* much on trust it is open... abuse. One or two forgeries... beginning to appear—tho... *bankers claim this is only...* expected. Once the Mone... Agency is enlarged and... banking system more formal... *then tighter controls are to...* expected.

Expatriate

The Qataris themselves... little part in the ban... business. All the banks... expatriate run with se... European management and... staff being a mixture recru... from Arab countries and... Indian subcontinent. Very... Qataris are actually trainin... the banks. The Governm... does not seem to be concer... by this state of affairs, bu... could mean that, in order... control matters, banking wil... kept within limits and... allowed to expand much m...

R.

QATAR SURVEY III

Production of oil has fallen in the last year and relations between producers and Government on the issues of pricing and 100 per cent. takeover have not been easy.

Oil scene

IS HAS been a bumpy year the oil industry in Qatar. owever, all the signs now are : the air has been cleared relations between the two s of the industry, which litionally have been good, back on an even keel.

ndoubtedly pricing has erated the most heat with companies suspending at end of June their entitle- its of buy-back crude claim- that it was over priced. The producing companies— ar Petroleum Company ell, Mobil, BP and CFP 5 per cent. each, Jersey odard 11.87 per cent. and tex 5 per cent.), and the ll Company of Qatar— med that the State's crude prices were too high in rela- to Arabian "marker" crude. ically, the dispute centred od the high premiums Qatar built into its posting for onshore crude from the than field. The companies sidered this a good $0.75 high in relation to Arabian ker crude. Thus the margin their equity oil did not r the loss on buy-back oil. Government for its part ntained that the companies e exaggerating.

aced with this impasse the ernment sought to find ct customers—eventually ng up one in August in the n of a little known concern, men Petroleum Corpora- . A contract was concluded, ortedly for 10m. tons, and tankers were loaded. But contract fell through as no ets—or bank guarantee— ld be found by the pur- ser. The tankers waited six ks, a Qatari coastguard el blocking their departure ll payment was made. In end the contract was can- ed and the oil sold at a ount.

his episode is now treated est forgotten and little men- is made of the whole affair Doha. It was not the first that direct sales contracts had been concluded—three previous contracts had been made with independents Amerada Hess, Chartered Oil and Union Rheinistche. However, in the future the Government is almost certainly going to be more cautious.

Pricing

Once the so-called "gunboat incident" was out of the way, the Government insisted that nothing could be done on pricing until after the September OPEC meeting in Vienna. Significantly the Government has not fully observed the OPEC basic 10 per cent. increase. Instead the October sales price for onshore Dukhan crude was raised 6 per cent. to $11.48 and crude from the offshore fields was raised 7.9 per cent. to $11.62. This could be taken as implicit recognition of the companies' claims that Qatar crude, though with a low sulphur content and high quality, was overpriced. In this connection it will be interesting to see whether any of the three companies with direct sales contracts make a move to alter their terms.

Now that Qatar crude is more aligned with prices prevailing in the rest of the Gulf the companies have resumed taking their buy-back entitlement. In turn production has begun to pick up so that the average for the year will be in the region of 420,000 b/d (against 517,000 b/d last year). In July, as a result of the dispute, production fell back to 262,000 b/d—the lowest for five years—with Shell producing 149,700 b/d and QPC 112,300 b/d. If the 420,000 b/d average is achieved, this will mean that production for the year will have been at 70 per cent. of capacity and 88 per cent. of the permitted maximum fixed in October 1973. (By September the figures were: output 279,608 b/d of which Shell 146,600 b/d and QPC 133,100 b/d.).

At the beginning of the year the Government began negotiations with both QPC and Shell on the terms of completing the takeover of the industry. Last year the companies had hammered out the terms of a 60 per cent. transfer of their shares to the Government. Compensation on the basis of net book value (as opposed to updated book value for the initial 25 per cent. Government stake) plus buy-back arrangements entitling them to 60 per cent. of the Government's share (36 per cent. of output). No figure for the net book value of the new share has been published although there have been reports of $30m.

Initially public pronouncements suggested that the Qataris were anxious to complete the process of acquiring total ownership within the year. One official announcement was even made to the effect that agreement had already been reached with Shell. However, this was not the case. All that has happened so far is for the companies to outline their proposals in a preliminary exchange of views. The Qataris themselves have made no proposals merely counter proposals. Several meetings have been held during the year but now the impression gained from both the Government and the companies is that matters will not be hurried. Oil officials maintain there is no timetable.

Indeed it is not yet clear what arrangement is best suited to Qatar. Oilmen point out that the deal worked out in Kuwait would not be really applicable in Qatar. In Qatar for instance the oil production process with onshore and offshore fields is far more complex; both companies are still actively involved in exploration—especially Shell which is determining the size of potentially very large gas reserves in the north-west of its concession; and Qatar, unlike Kuwait, has yet to train sufficient of its own people who could effectively run the industry and permit a purely service relationship for the companies. In addition one of the QPC companies, Mobil, has a far more important stake in ARAMCO in Saudi Arabia and is unlikely to accept anything which could prejudice the outcome of talks there. Thus all these factors tend to mitigate against a quick takeover.

Nevertheless in anticipation of an eventual takeover, the Government formed in September, 1974, the Qatar General Petroleum Corporation (QGPC). The aim is to have a holding company which will be the operational arm of the Petroleum Ministry, being responsible not just for oil but also gas and related industries, QGPC is still in the process of formation but has a capital of QR1bn. The corporation also holds the current 60 per cent. stakes in QPC and Shell plus the State's interests in the following: the Arab National Oil Transportation Company (formed under the aegis of OAPEC), the Arab National Oil Pipelines Company (financing Sumed, the Suez-Alexandria pipeline), the Arab National Petroleum Distribution Company and the Bahrain OAPEC dry-dock.

No published figure exists for reserves of crude but it is generally reckoned that at current rates of production the existing fields have a life of 40 years. The search for further deposits continues. Shell for instance acquired at the end of last year a Singapore-made drilling rig for offshore operations. At the same time Koch of the U.S. and the West German Winterschall are prospecting. Meanwhile a new small field which lies in both Qatar and Abu Dhabi's territorial waters — the Al Bunduq field—is due to start production shortly. This has been developed at a cost of some $55m. by the Al Bunduq Company (United Petroleum Development of Japan, BP Exploration and CFP with United paying the development costs). Production is estimated at 30,000 b/d with United taking the bulk.

On the refining side the small state-owned 6,000 b/d refinery at Umm Said will be expanded to more than double capacity, catering to growing local demands in gasoline, jet fuel, diesel oils and asphalt. There is also talk of a 250,000 b/d export refinery. However, given the excess refining capacity worldwide this seems at the moment to be a doubtful proposition, even though it is understandable that Qatar should wish to be involved in processing its own crude.

R. G.

In the next few years gas is going to be in the limelight as much, if not more, than oil. Gas will provide the base for an ambitious series of petrochemical and industrial projects.

Gas and petrochemicals

IT IS highly probable that a huge new offshore gas field, whose size still has to be determined, will enable a major LNG project to become the biggest venture ever undertaken in Qatar.

Shell has just begun to move a drilling rig to a new position in the north-western area of its offshore concession. It will be positioned 22 kms. from three existing wells which have already revealed very sizeable gas reserves in limestone and dolomite. This new step out well, when drilled, should give the company a better idea of the extent of their find. On conservative estimates proven reserves are in the range of 40,000bn. cubic feet of gas. This places it among the world's largest fields on a par with Hassi R'Mel in Algeria and Gröningen in Holland. If the fourth well proves positive, then the field could be even larger.

In anticipation of its ultimate development, Shell has already undertaken various feasibility studies for LNG projects aimed at exporting to Japan. The studies envisage a project to liquefy the gas, with a plant placed somewhere in the north of the Qatar peninsula, costing upwards of $2bn. coming onstream around 1982. It is possible that within the next six months the company will have a better idea of the field's size and viability of the LNG project.

While this is by far the biggest project, there are others more advanced or already in operation utilising existing gas produced from the onshore and offshore oil fields (either in the form of non-associated gas or petroleum gas). Non-associated gas from Shell's offshore fields is being used to feed a fertiliser plant at Umm Said. This plant, with a capacity of 900 tons of ammonia and 1,000 tons of urea per day, has now been in operation for two years. The plant, managed by Norsk Hydro, has had relatively few start up problems though capacity at present is underutilised due to lack of sweet water (the shortfall in the existing desalination plant is currently made up by a mixture of truck and tanker transport from Kuwait). Plans are now in hand to double capacity by 1978 at a cost of some $200m. against the cost for the present plant of $80m.

It is expected that the expansion will be financed by increasing the company's (QAFCO) capital and through earnings. The original capital was taken up 63 per cent. by the Qatar Government, 20 per cent. Norsk Hydro, 10 per cent. Hambros and 7 per cent. Davy Power Gas. (Norsk Hydro have subsequently increased its stake to 25 per cent. through purchasing half of Hambros' share).

Also on stream is a $55m. natural gas liquefaction plant at Umm Said owned by QPC and using associated gas from the latter's onshore Dukhan oilfield. The NGL plant has been operational since last December, though formally inaugurated in May. It has a capacity of 400,000 tons a year of propane, 250,000 tons of butane and 150,000 tons of condensate. Shell provided the bulk of the finance for the project and lined up the clients for the plant's output—Kyodo Oil and Shell Sekiyu in Japan. Shell is now going ahead with a second NGL plant on a 30/60 basis with the Government. This will be much larger and will involve developing the supply of some 240m. cubic feet a day of gas from its offshore fields at a cost of some $90m. The estimated cost of the plant will be $200m. To carry out the project a new company has been formed, the Qatar Gas Company with a $96m. capital. No clients have yet been lined up for the output but it is hoped that the plant should be operational by 1978.

Complex

By early 1979 the Government also hopes to have onstream a petrochemical complex, built in a venture with CDFChimie at a cost of $500m. Anticipated capacity for the complex will be 200,000 tons a year of ethylene, 145,000 tons a year of polyethelene. The Government has taken an 80 per cent. stake with the French partner holding 15 per cent. and the remainder held by Gaz ocean which will provide the shipping facilities and marketing services. By early next year the feasibility studies for the project should be complete.

Complementing this, the Qatar Government has agreed to invest in a petrochemical venture in France at Dunkirk. Originally the Dutch concern AZKO was due to participate in the Dunkirk project designed to produce 450,000 tons per annum of ethylene. However, when it withdrew the Qataris agreed to step in and formed a new company, Compenor, on a 40/60 basis. At the end of October the Emir's son, Sheikh Abdulaziz bin Khalifa, laid the foundation stone for the plant.

Quite apart from these ventures, the Government envisages utilising gas in a whole series of industrial ventures. In particular gas will be used in a planned steel plant with Japanese collaboration employing the ore reduction processes. Also like Bahrain there are plans for an aluminium smelter. All this means that gas, hitherto virtually ignored, will begin to play an increasingly important part in the State's economy.

R. G.

Production of fertilisers, in spite of lengthy teething troubles and continuing market uncertainties, is now beginning to run up to the levels that will be needed in the future.

Fertilisers

ICH COUNTRIES have their blems as well as poor ones saying often heard in the f these days and certainly ar's venture into the fer- ser industry has produced its p of headaches.

he Qatar Fertiliser Company FCO) was founded in Doha June, 1969, to build and oper- an ammonia and urea plant Umm Said, 24 miles south of a. Its share capital is 57m. and shareholders are : The State of Qatar 63 per t.; Norsk Hydro, who have management and marketing tract, 25 per cent.; Hambros Bank, who acted as lead bank on behalf of a group of British bankers in arranging finance for the project, 5 per cent.; Davy Power Gas, who have been the main contractor with responsibility for the design and construction of the urea and ammonia plants, 7 per cent.

The plant's designed capacity was 1,000 metric tons of urea and 900 metric tons of ammonia, daily. As such, QAFCO is one of the largest units of its kind in the world.

The total investment by the company has been £26m. To this, the Qatar Government has added £6m. for infrastructural facilities such as access roads, a deep-water jetty for ships up to 50,000 dwt, conveyors and ship loading equipment with a capacity for either bagged or bulk products, loading arms and pipelines for liquid ammonia, gas-gathering units, and a pipeline running for 80 miles across the peninsula to the Qatar Petroleum Company's fields at Dukhan and able to pass 100 cubic feet of gas daily to the plant.

During the construction period Gibb Ewbank Industrial Consultants, a London firm associated with Sir Alexander Gibb and Partners, was appointed to provide project management for the overall plant and various engineering activities concerned with ancillaries and off-site and infrastructural investments.

Pilot production of ammonia (ICI synthesis) and urea (Mitsui Tatsu total recycle "C") was in progress in late 1972, but there had been considerable delays owing to technological and constructional difficulties.

The plant was formally inaugurated by Sheikh Khalifa, on February 22, 1973, as part of the ceremonies marking the first anniversary of his accession, but limited commercial production did not start until the end of that year. A first shipment to Europe was made in March, 1974.

Troubles

Teething troubles, coupled with marketing uncertainties seem to have persisted in 1974 and, indeed, for much of the present year for the company has not yet published its first annual report and seems to regard the time elapsed as a necessary "working up" period.

Mr. K. Amundsen, QAFCO's Norwegian general manager seconded from Norsk Hydro, is not unduly perturbed. He says that in his experience teething troubles in fertiliser plants normally take two or three years to smooth out and he is enthusiastic that the Qatar Government has now taken the bold decision to double the designed capacity of the plant.

Trials over short periods have shown that the present plant can run up to capacity. Mr. Amundsen claims that the plant is ideally located with its raw material, gas, near at hand and its being close to large and expanding markets. He adds that having made the effort to complete the first plant and with the experience gained, the second stage, the doubling of the present plant's capacity, will be much easier and be the logical expansion of an established operation. "Having built the plant where it is we are in a position to compete with anybody," he says.

Norsk Hydro are themselves to be the project engineers for the new extension. Levelling and filling-in of water-logged land to site the new additions has begun and the freshwater production capacity is already being increased.

Davy Power Gas have been commissioned to design the new ammonia plant but the construction contract has not yet been assigned. This time the Dutch Stamicarbon process has been chosen for the urea plant but no erection contract has been awarded. The present loading jetty and the pipeline to Dukhan are adequate to serve both plants.

On the marketing side, Norsk Hydro, as agents, aim for heavily populated areas east of Suez, and the East African countries. In particular, Norsk Hydro, Hong Kong Ltd., is dealing with QAFCO products. The company is also represented in Singapore. Urea is shipped either bagged or in bulk and ammonia in special containerised ships.

Since the plant began limited operations, wildly veering world market prices have obviously influenced production. Last year, when the urea price at times reached $300 a ton, QAFCO was running down such stocks as it had built up. This year, with the price down to $100 to $150 a ton, the company is stockpiling presumably in the hope of price appreciation. This policy might be considered as non-acceptance of a "farmer's loss," for at the plant's inauguration ceremony 20 months ago, a QAFCO spokesman remarked that "with a present market price of $68 a ton for urea, compared with $35 per ton when we advised on the plant, financial success seems assured."

Another factor which may be contributing to the plant's below peak performance, and is likely to continue to cause anxiety in the short term, is the difficulty of maintaining a steady, high-level, flow of gas from the Dukhan field.

Regularity and stability of the plants are essential for a successful result owing to the complex technology and process involved.

Gas supplied by the Qatar Petroleum Company is that associated with its crude oil and thus volume is inevitably tied to the amount of crude lifted. Although there is reticence on the subject it is no secret that some of the companies which make up QPC have been unable to dispose of their quotas of crude owing to the drop in world demand and, early in the year and again last summer, there were considerable cutbacks in the amount of crude lifted. The adjacent LNG plant at Umm Said has at certain times this year been starved of gas and it is probable that QAFCO was also affected.

Direct

This situation should be entirely eliminated when natural gas is tapped direct from the Khuff Zone in the same manner that Bahrain taps another section of the same zone to power its aluminium and other industrial projects.

As part of its management contract, Norsk Hydro have agreed to take the responsibility of providing competent staff. Thus just under 50 Norwegians are employed as Senior Staff members. The total workforce is now 600 of whom about 30 per cent. are Qataris with the balance made up of Indians and Pakistanis. Training of Qataris for responsible posts has a high priority in management policy.

In an entirely separate project the Government is now planning to spend QR11m. on an organic fertiliser plant to be built near Doha. The contract has been awarded to the Italian firm ASCO. This will be a composting plant and output will be used to boost the country's agricultural production particularly in the horticultural sphere. Output is expected to be 150 tons daily and some of it will be exported.

Ralph Izzard

Pages IV and V of this survey carry an announcement by the Government of Qatar.

Editorial continues on page VI.

QATAR قطر

A progress report

Western highlights of intensive Qatari international diplomacy throughout 1975 have been talks, in Paris, between the Emir HH Sheikh Khalifa bin Hamad al-Thani, and the President of France, HE M. Valery Giscard d'Estaing, on economic, financial and political matters of mutual concern and the initialling, in London, of an Anglo-Qatari agreement designed to strengthen economic and commercial ties between the two countries.

The Paris talks took place during a three-day state visit by HH the Emir last month. A joint communique stated that they had developed in an atmosphere of friendship, understanding and mutual confidence. The two heads of state had confirmed the convergence of their views on major international questions. Their attention had first been directed to the latest developments in the Middle East situation and they had expressed their mutual conviction that it was of the utmost importance to establish a definitive peace. They had re-stated their respective views on the subject and reaffirmed their belief that any solution must include recognition of the rights of the Palestinian people.

The communique added that President d'Estaing and Sheikh Khalifa had also discussed the French Government's proposals for a preparatory dialogue between delegations representing oil producing and consuming countries with the aim of organising a full-scale conference later this year. They were agreed that this dialogue must take place and that it should seek a solution to existing inequalities that would permit the establishment of a progressive unity of economic and financial relations, "better adapted to the world situation as it stands to-day and based on the principle of justice and equality among nations."

The communique also stated that the two heads of state proposed to examine possibilities of undertaking joint projects with certain friendly countries and that they had reviewed possibilities of offering their financial, economic and industrial co-operation.

* * *

Earlier President d'Estaing was host to Sheikh Khalifa at a banquet held in the Palais de l'Elysee. In a toast he praised the "wise policies" of Qatar and HH the Emir's plans for internal development. The latter, he said, represented correct utilisation of the resources which Qatar had received from its oil and which would permit HH the Emir to expand the basis of economic development. He also praised Qatar's external policy, "where it had manifested a wish for stability in a region of major importance to peace," and generous contribution in aid to under-developed countries.

In his reply HH the Emir saluted the attitude adopted by France towards Arab causes. He had noted with approval, in the domain of international economics, the position taken by France towards the sincere efforts made by states in respect of development. He also praised the "avant-garde attitude" of France in favour of an Arab-European dialogue and recalled that Qatar had established with the industrial world—"and in the first instance with France"—relations of close co-operation which allowed Qatar to make available modes of co-operation in return for the means of development which it required.

It was later announced that a Franco-Qatari joint committee would be formed to discuss in detail issues already covered by the two heads of state. The first meeting will be held in Doha before the end of the year.

Agreement on plans for the training of Qatari personnel in the radio, television, cultural and educational fields was also revealed.

Economic agreement between Qatar and France has increased since the signing, in December last year, of agreements under which Qatar provided the Banque de France with the equivalent of $US150m to finance joint petrochemical projects — one in Qatar (Umm Said) and the other in France (Dunkirk). The Umm Said plant, scheduled to come on stream in 1978, will produce ethylene from locally produced ethane feedstock. It will be owned by the Qatar Petrochemical Co. on the basis of a QR 200m capital of which the Government will hold 80 per cent., Charbonnages de France-Chimie (CdeF Chimie) 15 per cent. and another French company, Gazocean, the balance. There will also be a transport company in which the Government will have 60 per cent. equity in association with Gazocean (40 per cent.). CdeF Chimie will operate the plant on behalf of the Government and handle marketing. Gazocean will ship about half of the output to France in liquid form. The remainder will either be transformed into low density polyethylene locally or used in other downstream products.

CdeF Chimie will hold 60 per cent. of the equity of the Dunkirk project and the Government the balance within a joint subsidiary company. The plant will have an annual capacity of 450,000 tonnes. It is due to be completed by the end of 1977.

* * *

The initialling of the Anglo-Qatari trade agreement coincided with a private visit to London by HH the Emir in July. It provides for the establishment of a joint committee to stimulate the involvement of British firms in Qatari development projects and training programmes and to facilitate transfers of technology. The agreement will be formally signed in Doha later this year.

Qatari diplomacy has also produced significant results in the Arab World during the year: cultural and technical co-operation agreements were signed during the summer with Tunisia and Morocco in the course of official visits to Tunis and Rabat by HH the Emir. He had earlier visited Iraq for talks on bilateral economic co-operation.

HH the Emir this month paid a four-day official visit to Iran at the invitation of the Shah, HM Mohamed Reda Pahlavi. The situation in the Gulf area, co-operation between the two countries and topics of mutual interest were discussed during the visit.

Two presidents, a prime minister and two ministers were among a stream of diplomatic visitors to Doha last month.

The President of Uganda, HE Field Marshal Idi Amin, and the President of Gabon, HE M. Omar Bongo, arrived for talks on co-operation and bilateral relations respectively; later it was officially announced that Qatar had agreed to grant Uganda a loan equivalent to £S1.7m and that a Qatari delegation would shortly visit Gabon to discuss specific economic and social development projects that might benefit from Qatari assistance. Joint communiques issued at the close of both visits stressed common interest in the growth and solidarity of Arab-Afro relations and emphasised the necessity of Israeli withdrawal from occupied Arab territories. The Qatari-Ugandan communique specifically expressed support for the African liberation movements and denounced the policy of apartheid, while the Qatari-Gabonese text recorded a decision by HH the Emir and his presidential guest to expand co-operation between their two countries.

The signing of a trade agreement followed a visit by the Prime Minister of Tunisia, HE M. Hedi Nouira.

Finland's Minister of Trade Industry and Commerce, HE Mr. Arvo Rytkoenen, and India's Minister of Agriculture and Irrigation, HE Mr. Shah Nwaz Khan, also participated in discussions aimed at developing inter-governmental co-operation.

The Egyptian Finance Minister, HE Sayed Ahmad Abu Ismael, had earlier visited Doha for the signing of an agreement covering Qatari provision of a long-term loan equivalent to $US102.5m. in support of Egyptian industrial and development projects. The loan, which was made immediately, carries interest of a half per cent.

PETROLEUM

The Government has decided to acquire the remaining 40 per cent share held in on-shore and off-shore crude oil recovery by the two foreign interim operators—the Qatar Petroleum Co. (QPC) and Shell Company of Qatar (Shell Qatar) respectively—and negotiations on details are proceeding. The Government's decision to assume control, announced in December last year was provided for by the revised participation agreements it signed with both companies earlier in the year; these allowed for modification by the Qatari side at any time before the end of 1979. QPC works the Dukhan oilfield on the west coast and Shell Qatar three seabed fields between 80 km and 120 km off the east coast.

Crude exports totalled 24.247m. long tons last year compared with 27.051m. LT in 1973. QPC's share amounted to 10.325m. LT (1973: 11.675m. LT) and Shell Qatar's 13.921m. LT (1973: 15.375m.). Tanker loadings totalled 339 and the largest shipment was by the French "Latona" (278,220 dwt) which sailed from Halul, Shell Qatar's island terminal, on April 30 with 268,304 LT.

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HH the Emir recently stated that Qatar had decided to reduce its oil production in accordance with its own needs.

It has also been officially stated that the State's direct income from oil will by 1980 represent only 15 per cent. of its total revenue: the remainder will come from earnings from new petrochemical, heavy and light industries.

The Qatar General Petroleum Co. (QGPC) formed in 1974 to assume overall responsibility for all the State's internal and external oil interests, is now fully operative.

Earlier this year HH the Emir inaugurated two projects of powerful significance to Qatar's economic future — an NGL (natural gas liquefaction) plant and an oil refinery, both located at Umm Said 40 km south of Doha. The QR 250m NGL plant processes and exports natural gas produced in association with onshore crude recovery. Its production capacity amounts to 40m cubic feet daily of combustible gas, 20,000 barrels daily of propane, 8,000 b/d of liquefied butane and 4,000 b/d of natural gas. A terminal jetty, 400 metres in length, can accommodate the largest liquefied gas tankers now in service.

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The processing capacity of the QR 45m refinery is currently 6,200 b/d of crude, but will shortly be increased to 18,800 b/d. Output is intended to meet total local requirements for petroleum products, including two grades of gasoline, aviation fuel, kerosene, light and heavy gas oils and bunker oil. Sales are running at QR 4.5m. monthly.

A second refinery is planned for Umm Said for the purpose of quadrupling the State's domestic crude running capacity. The consultancy contract, awarded to the London-based subsidiary of a US company, covers integration with the existing plant as well as specification preparation and tender review.

Late last year the Government signed an agreement with Shell International Gas for the establishment of the Qatar Gas Co. Ltd., as a Qatari joint stock company, in which it would hold 70 per cent of the QR 400m equity and Shell the balance, for the purpose of initiating a QR 1,000m project for the recovery of off-shore natural gas mainly for the benefit of local industry. An Umm Said plant will extract liquid propane, butane and gasoline from associated gas now being flared at Shell Qatar's three production platforms. The route survey for a dual pipeline system, designed to bring ashore approximately 180m cubic feet of gas and 2,600 tonnes of liquid daily, has already been completed, design work on gas gathering stations is well advanced, and first shipments of line pipe are moving from Japan: in all approximately 360 km of 6-in, 12-in and 24-in pipe will be required. On-shore site development work is also under way.

Studies are also being carried out for an even more ambitious LNG (liquid natural gas) scheme involving production, shipping and marketing of unassociated gas from the Khuff reservoir in the north-western part of Shell Qatar's operational area.

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Qatar has been a member of the Organisation of Arab Petroleum Exporting Countries (OAPEC) since June 1970 and has an interest in three major developments fostered by it. These are the $US1,000m Arab Petroleum Investments Company, formed to finance development in the Arab World as a whole; the $US500m Arab Maritime Petroleum Transport Co., which has four tankers on order with French and West German yards; and the $US100m Arab Shipbuilding and Repair Yard Co., which will manage a dry dock complex now under construction at Bahrain.

DIVERSIFICATION

The Government persists with its well-known policy of promoting industrial diversification with the aim of reducing national dependence on oil revenues.

The Technical Centre for Industrial Development (TCID) remains the State's technical and advisory authority in diversification affairs: particular functions are the co-ordination of ministerial planning in accordance with long-term requirements and budgetary margins, supervision of projects, and control of feasibility studies.

The coastal Umm Said industrial estate gains steadily in importance as the focal point of diversification. Not only is all the necessary infrastructure being centralised there, including pipelines feeding the natural gas from the Dukhan oilfield which fuels all existing installations, but a five-year scheme for the creation of an entirely new and self-contained town has been offered for competition between international architects. The scheme envisages a radial pattern of mixed high and low-rise housing around a central commercial core. In addition, Phase I work on a 600/700 megawatt power station will be aimed at achieving an output of between 400mW and 450mW before the end of 1977; plans for a mechanised port are under study; and QR7m. has been allocated for a sewage treatment plant.

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The Qatar Fertilizer Co. (QAFCO) is to double the size of its plant to raise daily output of ammonia and urea to 1,800 tonnes and 2,000 tonnes respectively. Engineering will be supervised by Norsk Hydro A/S, the Norwegian company which has managed the plant—and marketed its production—since its completion in 1973. Completion is expected by the end of 1978. The expansion will be financed from company earnings and by increasing QAFCO's share capital, originally set at QR57m and divided between the Government (63 per cent), Hambros Bank (10 per cent), the Power-Gas Corporation (seven per cent) and Norsk Hydro (10 per cent) with an option (since taken up) of an additional 10 per cent. The overall cost of the plant (as now operating) is, however, estimated at around QR300m since the Government provided associated infrastructure, notably a gas pipeline network, access roads and a deep water jetty capable of accepting ships of up to 50,000 tons dwt.

Preliminary work is proceeding under a contract awarded to Kobe Steel of Japan to build and manage an integrated iron and steel complex as a joint venture involving the Government (70 per cent), Kobe Steel (20 per cent) and Tokyo Boeki, an export organisation, the balance. The plant will employ direct ore reduction and continuous casting systems and a contract covering installation of the steel plant has already been awarded to the Midrex Corporation (US). The steel mill will produce bars, shapes and billets. Iron bar will also be produced for local use in reinforcing concrete structures. An ultimate annual combined output of 400,000 tonnes is envisaged.

Last year the Government announced plans to build a pharmaceutical and cosmetics factory to produce syrups, suspensions, capsules, ointments and creams in considerable quantities.

The flour mill built three years ago by the privately owned Qatar Flour Mills Co. continues to conform with its designed milling capacity of 100 tonnes of high- and low-extraction flour daily. Wheat is imported over QAFCO's jetty.

Elsewhere in the penisula work on the Phase II expansion of the Qatar National Cement Co's Umm Bab, west coast, plant continues. The object is to raise production by 1,800 tonnes to 2,700 tonnes daily by 1977 at an estimated cost of QR 250m. Additional plant units will include two dry process kilns, each with a capacity of 900 tonnes an hour, and two bagging units with a combined capacity of 240 tonnes an hour. A 20mW gas turbine power-station and a desalination plant of 250,000 gallons per day capacity are also schemed. The company is entirely Qatari-owned; its capital is divided between private subscribers (60 per cent) and the Government.

AGRICULTURE

A five-year plan designed to ensure total Qatari self-sufficiency in basic food supply—based on the results of a hydro-agricultural resources survey—is now in the final stages of preparation. Methods of hydroponic (chemical-based) cultivation, pasture control and land reclamation are receiving special attention.

Meanwhile production of certain vegetables continues at a sufficiently high rate to justify the export of small surpluses and yields of fruit continue to increase.

It is hoped that Qatar will soon be producing enough wheat to meet the needs of the local market. Recently completed studies revealed an area 60 kms north of Doha that was suitable for grain cultivation and experimental planting, aimed at high quality production, has begun.

Plans for a QR 11m organic fertiliser plant, with a daily capacity of 150 tons, are under study.

The Government has set up a QR 5m poultry farm with an eventual capacity of 10m eggs and 1m hatchings; installations include 60 battery-type houses for broilers.

The privately owned Qatar Dairy Co. is producing 3,000 litres of milk daily, as well as by-products, from a herd of 300 Friesian cows imported from Australia.

FISHING

The Qatar National Fishing Co., incorporated in Doha in 1966 to fish for shrimp in territorial waters and process catches in a purpose-built and refrigerated factory, last year exported 290,000 kilogrammes of head-off fish worth QR 1.232m, the bulk to Japan. The Government holds 60 per cent of the share capital and Ross Group International the balance.

Doha is to provide the headquarters for a pan-Gulf fisheries survey and development study. The object is substantially to increase the overall regional catch and emphasis will therefore be placed on identification, quantification and distribution of species other than shrimp.

EDUCATION

The long-term policy aim of the Ministry of Education, Culture and Youth Care remains free compulsory education for boys and girls at all levels and a near 100 per cent. attendance by children of primary stage age is now officially foreseen. Plans to increase the total of classrooms by 558 are therefore being urgently implemented. Four major schools (secondary and preparatory for boys, preparatory and primary for girls) are scheduled for completion in the current academic year alone; they will provide 4,000 additional places.

Since 1956 the school population has increased from 1,000 to over 26,000. In the same 20-year period the total of girls registered has risen from 50 (4.7 per cent compared with boys) to 13,000 (parity) and the total of girls schools from one (with a single teacher), to 45 (800 teachers).

The rate of examination passes by both boys and girls was this year the highest on record—ranging between 74 per cent to 86 per cent according to stage.

Work is nearing completion on a QR6m Faculty of Education complex to which the occupants of existing male and female teacher training colleges, established in 1973, expect to transfer next year as the nucleus of Qatar's university. Facilities will include lecture rooms, science and language laboratories, a library, a mosque, a restaurant and cafeteria, an assembly hall, an amphitheatre with stage and projection equipment, and indoor and outdoor sports arenas. Male and female students will be taught separately but share main services. Degree subjects will initially be Arabic, science and religion.

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The first definitive step in the university project itself was taken last month when HH the Emir was briefed on first phase structural design plans for its colleges of education, science and civil aviation. It was then revealed that completion is intended within three years, at an estimated cost of QR 500m, and that an academic population of 2,000 is envisaged. Facilities will include a library capable of expansion into a national institution, an audio-visual centre linked with the State's television service and equipped to transmit lectures to male and female classes simultaneously, and an experimental farm attached to a botanical department. Building design will be based on a traditional Qatari style: octagonal rooms with a square tower in the centre of the roof to provide, through openings, both natural ventilation and indirect daylight illumination.

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Meanwhile, scholarships to higher education establishments abroad, Arab and non-Arab, are being increasingly awarded, with the recipients financed on scales related to the local cost of living. Some 700 young Qataris are currently benefiting. Evidence of the success of this expensive aspect of educational policy was recently provided by the award of two doctorates to Qatari graduates by British universities.

The current budget allocates QR120m. for educational development.

Doha's Regional Training Centre, opened in 1970 with United Nations Development Programme technical assistance, is now firmly established as one of the Gulf's most prolific sources of skilled artisans and technicians. About 500 Qataris and other Gulf nationals are enrolled.

PUBLIC HEALTH

The State's traditional policy of providing free health services to all residents of the peninsula, Qatari and non-Qatari alike, remains a source of local pride.

Work has begun on a QR 160m general acute hospital in central Doha under a contract awarded to a British company; completion is anticipated by the end of next year. Main accommodation will comprise two six-storey ward blocks. The project represents the first step in a comprehensive programme of expansion and modernisation of the State's curative and preventive health services over the next 20 years. Sequential action under consideration includes conversion of the capital's existing Rumaillah General Hospital into a women's hospital, complete with obstetrical and gynaecological departments, establishment of six health centres designed to provide community as well as health services, conversion of an existing women's hospital into a long-stay and geriatric centre, and construction of new psychiatric and tuberculosis hospitals. The current budget allocates QR 84m for Ministry of Public Health activities.

SOCIAL WELFARE

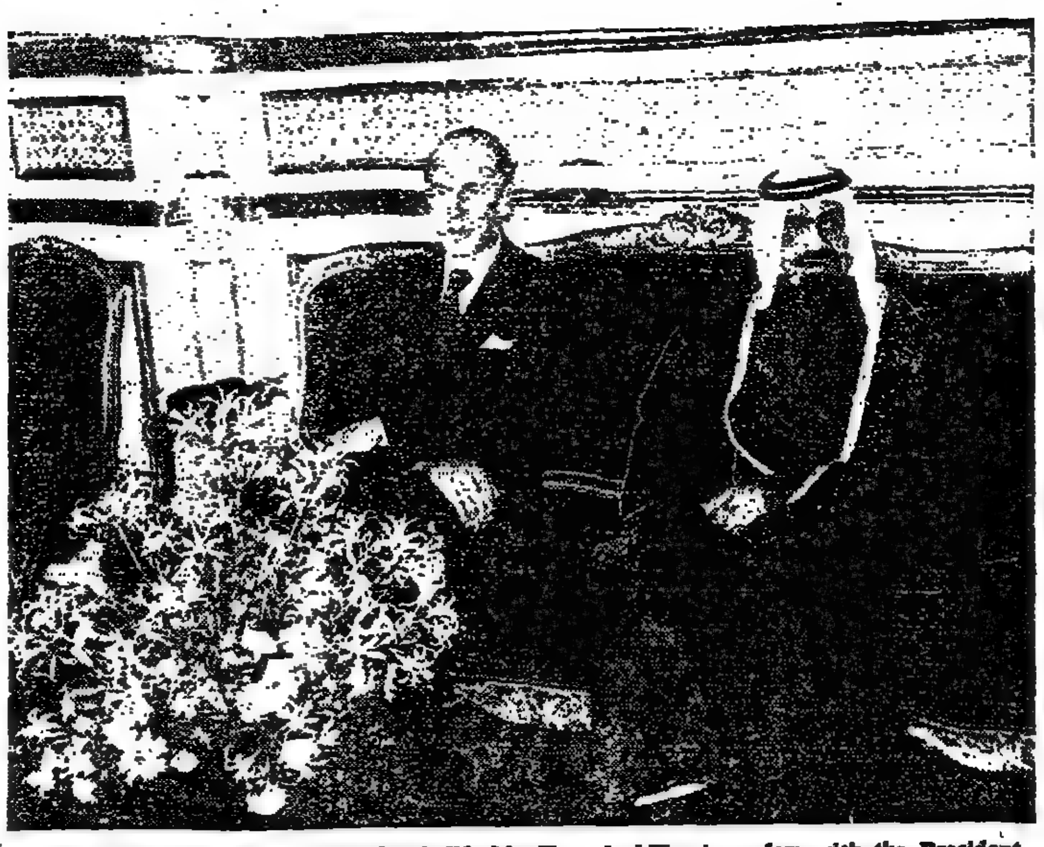
The current budget allocates QR 130m. for the State's "popular" housing and home ownership schemes. The latter ensures that low-income families benefit from the continuing construction of economic units in estate form: repayment of the unit price is either related to the actual financial capacity of the recipient or totally waived. The home-ownership scheme enables better-off families to acquire a home of their own choice in extremely advantageous circumstances.

Over 650 "popular" units have already been offered free of charge and 640 out of 890 now being built are similarly earmarked.

The home-ownership scheme is based on a 20-year building or purchase loan of up to QR 130,000, a furnishing grant of QR 25,000, and a free site.

Pensions for all Qatari nationals have been approved in principle and details are being worked out.

So far this year all income deriving from governmental and other official sources have been



The Emir of Qatar, HH Sheikh Khalifa bin Hamad al-Thani, confers with the President of the French Republic, HE M. Valery Giscard d'Estaing, at the Palais de l'Elysee during his recent state visit to Paris

The Qatar Riyal

The Qatar Riyal (QR), introduced on May 13 1973, is divided into 100 Dirhams and circulates in banknotes of one, five, 100 and 500 Riyals and coins of one, five, 10, 25 and 50 Dirhams.

In March this year Qatar joined Saudi Arabia, Iran and Kuwait in severing the connection of its currency with the US Dollar and aligning it to the Special Drawing Right (SDR) of the International Monetary Fund (IMF). The IMF had previously confirmed the par value of the QR as corresponding to 4.76190 per unit of SDR.

It was simultaneously decided to revalue the QR against the US Dollar by roughly five per-cent. The new exchange rate was QR 3.80 (formerly QR 3.96) to $US one.

***Earlier this month* a second revaluation of the QR raised its value against the US Dollar by just under 2.7 per cent.**

The rate of exchange against Sterling was then QR 8.150=£1.

The currency is issued by the Qatar Monetary Agency, also established in May 1973 to perform the functions of a central bank.

Banknotes and coins in *circulation at the end of* April this year totalled QR 230.465m.

Background

Qatar is an independent and sovereign Arab stat on the western shore of the Arabian Gulf.

Its national territory occupies a peninsula o approximately 1,000 sq. km, projecting true north fo about 160 km at a maximum width of 90 km, and som small offshore islands.

Doha, the capital, is situated on the eastern coast a Lat. 25° 8′ N., Long. 51° 33′ E.

Frontiers at the neck of the peninsula lie with Saud Arabia to the west and Abu Dhabi (Union of Ara Emirates) to the east. The State's nearest seaward neigh bour is Bahrain, about 60 km to the north-west.

The terrain is flat except for low hills at the norther end of the western coast. The central area of th peninsula is covered by a cobble conglomerate. San dunes and salt flats predominate in the south. Natura vegetation is confined to the north.

Seasons generally conform with those of Temperat Zone countries and the winter weather is relatively col for the latitude, but great heat invariably persist between June and September. Humidity is frequentl excessive in both winter and summer. Rainfall i normally light.

The population is estimated at 180,000 inclusive o immigrant communities. About 80 per cent of the tota is concentrated in the Doha area.

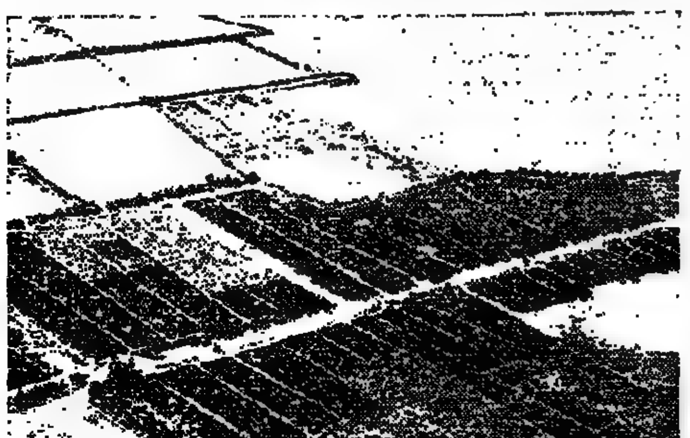
The Emir of Qatar and Head of State is HH Sheik Khalifa bin Hamad al-Thani. On his accession i February 1972 he pledged, in a broadcast, that "a ne era" would be "one of enlightened rule, social justice an stability." Sheikh Khalifa's personal headquarters, know as the el-Emiri el-Diwan, is located in Doha Palace o the waterfront.

Executive and legislative procedures are controlle by a provisional Constitution promulgated in April 197 A Council of Ministers, currently 13 strong, assists H the Emir "in the discharge of his duties and the exercis of his powers" and receives recommendations concernin legislation from an Advisory Council empowered t debate it in draft. However, a recent decree provide for an increase in the membership of the latter bod extended the terms of office of its 20 existing member for another three years, and entrusted to it the respo sibility of additionally advising HH the Emir. A explanatory statement added that these changes wer "in preparation for other important amendments whic aim to expand the functions of the Advisory Council."

Justice is administered by courts operating bot codified law and the Sharia or Holy Law; non-Moslem are invariably tried by the former. The provision Constitution stipulates that Qatar's judges shall b "independent in the exercise of their powers."

The official and dominant religion is Islam, and th official language Arabic — although English is widel spoken and understood.

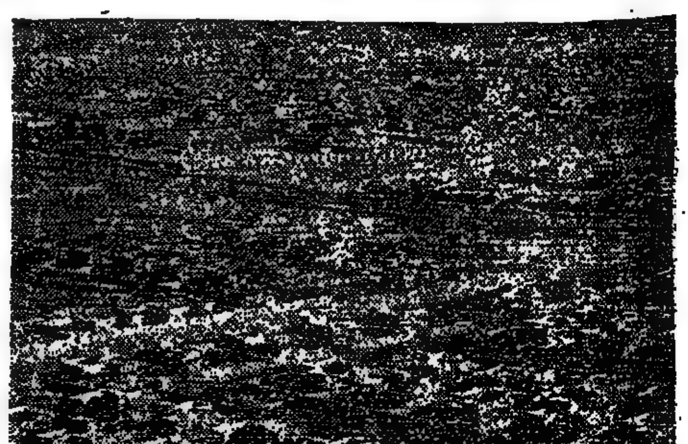
The national flag is "maroon with white serrate border on hoist."



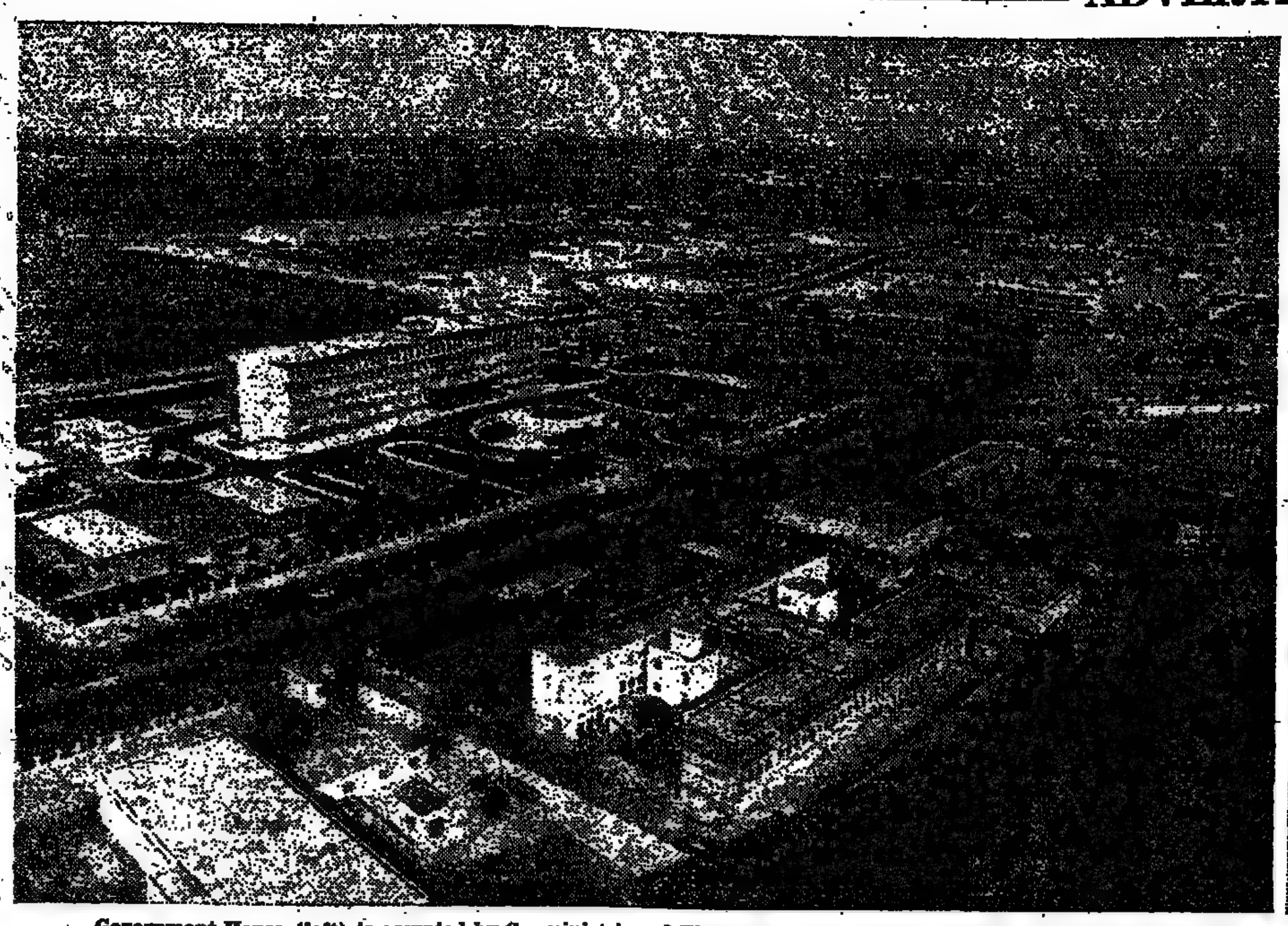
Experimental farm

Teacher-training college

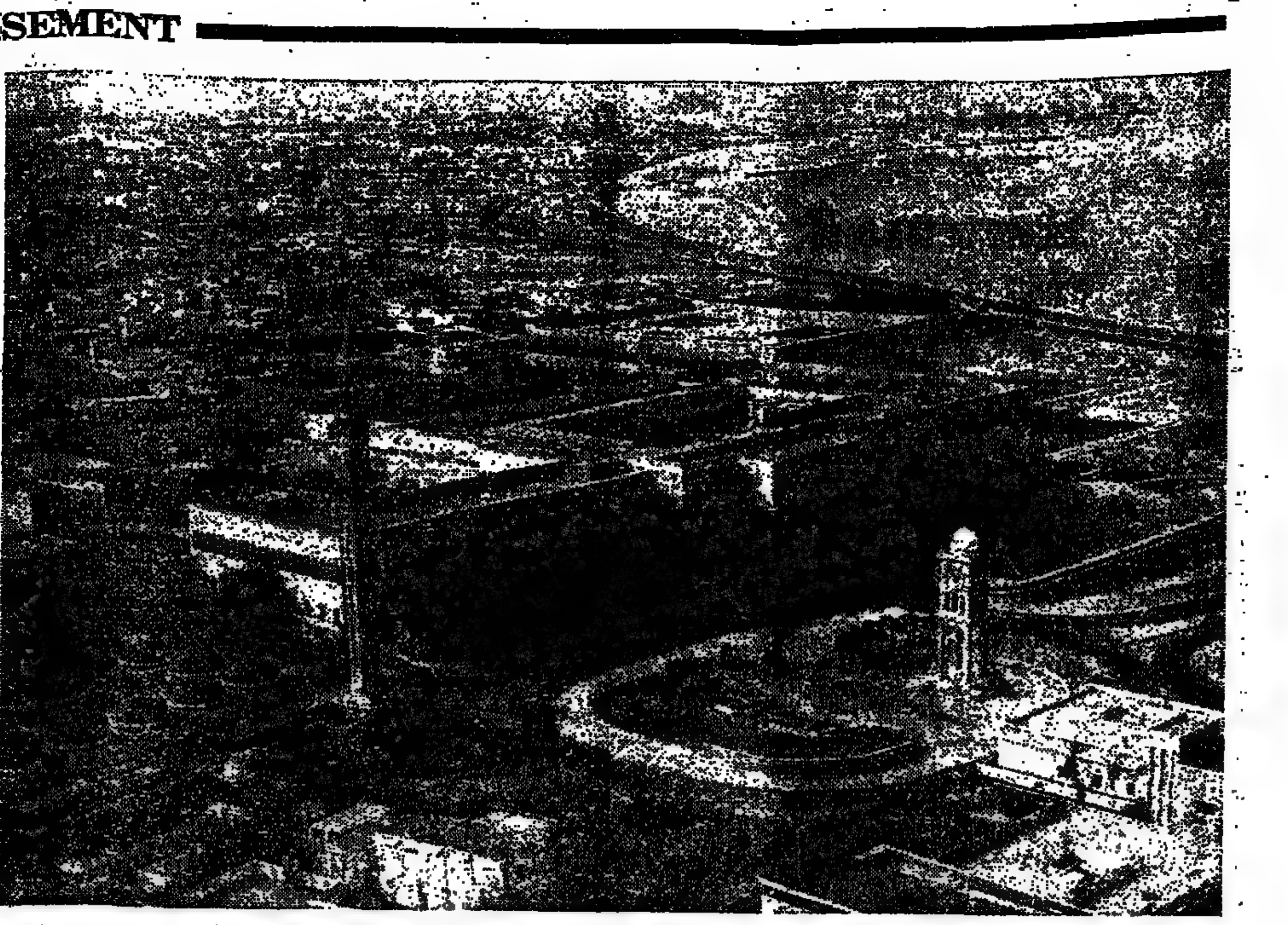
Advisory Council in session



"Popular" housing estate



Government House (left) is occupied by the ministries of Finance and Petroleum, and External Affairs



Doha Palace, personal headquarters (el-Emiri el-Diwan) of HH the Emir

eased by between 10 per . and 30 per cent.

LIC UTILITIES

e Government is taking vig- s action to ensure the long- security and quality of its r and electricity supply ser- . Two major projects, one eptual, are now in hand— truction of a gas-fuelled QR n. power/distillation com- at *Ras Abu Fontas*, 15 km h of Doha, with ultimate rating and distillation capa- s of 200mW and 30m. gallons day; and preparation, by an consultants, of a master for water supply and distri- on calculated to survive any umption situation likely to within the next 15 years.

oducing plant at Ras Abu tas will comprise six 50mW turbines and four distillers capable of an output of 5m. rial gallons (25m. litres) . The first pair of turbines be commissioned by the end ext year and the remaining at approximately three- hly intervals from March . The distillers are to be sup- d by the Weir Group of Scot- under a contract worth *QR 250m.—the most valu-* ever awarded to a British pany in the desalination field. first unit is scheduled to be ative within 20 months and last within two years.

e water plan will incorpor- design for ductile pipe ems and storage reservoirs, proposals for a control sta- near the western coast.

e State's current electricity ration capacity is 160mW, pared with 70mW in 1970. output of the existing 10- ine power-station at Ras Abu ud, in the capital's southern rbs, has been increased by W this year. Additional ration equipment is located e QAFCO fertiliser plant at n Said, Umm Bad, Dukhan central Doha. Plant supply *been international*; British, h, Italian, West German, Japanese, Belgian, Swedish and Swiss companies have been involved.

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The Electricity Department is also giving high priority to distribution throughout the peninsula. Although the commissioning within three years of three major sub-stations has doubled capacity at this level, 13 more are to be built during the next two years. Expansion plans for the State's grid system, now serving most populated areas of the peninsula, include erection of a new 132 kV line from Ras Abu Fontas to Umm Said for the purpose of supporting industrial development there until construction of the industrial estate's own 400 mW power-station is completed. Another important development is planning for a grid control station; computed information on sub-station and feeder distribution will be available on visual display units.

INFRASTRUCTURE

Road construction is a continual process throughout the peninsula and the current budget allocates QR 78m. for the purpose. Current emphasis is on conversion of existing links with Umm Said and Dukhan into double carriageways and planning for a new lateral highway between Doha and Umm Bab. Heavy traffic is now using the highway running south-west from Doha for 105 km to the Saudi Arabian border, near Salwah, to provide vehicular access to the Mediterranean, through Jordan, and to Europe via Kuwait, Iraq and Turkey. The peninsula's network of first-class motor roads now exceeds 350 km in length.

Sewage treatment is another continual process. The Government earlier this year awarded a contract worth QR 17m for work in Doha. It provides for the extension of existing plant and the installation of additional gravity sewers, pump stations and pumping mains.

Qatar national Museum

Qatar's new museum — perhaps the most important, cer- ly the most exciting, cultural development yet undertaken in Arabian Gulf — was the direct inspiration of HH the r. The decision to establish a national museum, one of the acts of his reign, was taken in May 1972, and was followed three years of intensive planning, detailed research and a h reconstruction and building programme.

From the outset, Sheikh Khalifa was concerned to preserve e evidences of his people's past and their way of life before State's oil wealth had transformed their lives. Evidence of r's past would inevitably be irrevocably lost by the develop- ts and the social, welfare and industrial projects which he determined to introduce. The site chosen for the new museum therefore appropriate — a small complex of traditional Qatari ses, the Old Emiri Palace, once the home of the Emir's family; ed he himself had spent his childhood there.

RUINOUS CONDITION

Though they were in a ruinous condition, enough of these ll and elegant buildings remained to allow them to be faith- y reconstructed. Where doubt existed, old photographs drawn n a variety of archives, and the memories of older members he Emir's family and their retainers, were able to guide the igners. Fortunately, too, much of the intricate carved plaster- k which decorates the interior rooms and the arcaded facades he buildings, could be recovered.

The houses have now been restored to their original state. st have been furnished in traditional style, whilst some rooms tain special displays, highlighting aspects of Qatar's nography and, for example, the architecture of the site. The ncipal museum collections are contained in a new building cted to the north of the complex. This building, the Museum he State, is designed on three levels and is partly sunk below ground; it defers to the older buildings though it is much largest on the site and whilst it does not simulate their hitecture, it echoes many of the details which give them their ticular East Arabian and Qatari character.

ACADEMIC RESEARCH

Underlying the development of the museum at all its stages, t been a carefully constructed programme of academic earch, involving co-operation on an international scale. A m of Arab and non-Arab scholars was assembled from iversities and institutions who provided the ground-base of ormation on which the museum was founded.

The museum is essentially concerned with the life of the ple living in the peninsula over many thousands of years. eir life has been dominated by two perpetually contrasting ments, the desert and the sea. The Old Emiri Palace and the seum of the State deal with the land of Qatar, but when the was occupied as a family home the sea lapped its walls. As ha the capital grew, the land in front of the palace had been laimed: now it was decided to bring the site back into its ationship with the sea by creating a lagoon on which are ored examples of traditional Gulf sailing craft from which — d the hard toil of her seamen — Qatar's prosperity was once own. Six dhows were specially commissioned for the Museum rhaps the last such order to be placed for such historic craft; eventh, once the property of the Emir's father, Sheikh Hamed, now berthed with them.

Beside the lagoon a marine museum has been built, due to en in 1976. On its upper level, the life of the fishing folk of tar, their craft and their principal quarry, the pearl, will be scribed whilst below ground the aquarium will contain speci- ens of the marine life of the seas around Qatar.

TOWN PLANNING

The Government is determined that the style of Doha's development should reflect the capital's rapidly increasing importance on the Gulf—mainly through application of town planning and environmental disciplines.

Perhaps the most ambitious scheme so far approved involves the creation of a new and self-contained suburb on reclaimed land at the western extremity of the bay on which the capital lies. The principal components will include a circular tower structure (incorporating high-level restaurants and observation areas and a ground level plaza and arcade), a hotel and conference complex, commercial and shopping centres, senior staff housing and a diplomatic quarter. Preliminary work has begun; a Japanese company is dredging out tidal flats under a contract worth over QR 100m and the road layout has been completed by the Ministry of Public Works.

Although the ministries of Finance and Petroleum, and External Affairs, share the purpose-built Government House on the waterfront, most other ministries and official bodies still occupy temporary accommodation scattered about the capital. A comprehensive programme of public building is therefore being rapidly pursued. Handsome premises for the ministries of External Affairs, and Municipal Affairs, the Qatar Monetary Agency and the Qatar Chamber of Commerce are already rising on the waterfront. Sitework on behalf of the TCID will soon commence. Contracts for the construction of headquarters for the Ministry of Information and QGPC will shortly be awarded. Designs for buildings to house the Advisory Council and 10 other ministries are the subjects of international competition on the basis of a scheme to group kindred ministries in a single parkland setting with common conference and other services.

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Construction of a sports stadium, with seating for 40,000 spectators, will be completed in time to stage events in the Gulf Games due to be held in Doha in March next year. The stadium will eventually serve as the core of a sports complex to be known as Khalifa Sports City; facilities for a wide range of indoor and outdoor sports—including athletics, basketball, table tennis, squash and swimming—are to be incorporated.

Doha is also to have combined zoological and botanical gardens for the dual purpose of presenting wild animals in surroundings simulating their natural habitat and providing opportunities for natural history study and research. Features will include a lagoon in which exotic waterfowl will feed from a waterfall, a reptile grotto, a crocodile pool, a nocturnal desert area, a luxuriously planted island serving as a refuge for flamingoes, a free flight bird aviary, pleasure gardens and a cafe deck.

Meanwhile the three Doha hotels mainly patronised by non-Arab visitors—the Gulf, Oasis and Doha Palace—are undergoing major extensions. The Gulf's management is spending QR 50m on a 200-bed tower extension. The Oasis and Doha Palace are to have eight-storey and 14-storey extensions respectively.

MUNICIPAL AFFAIRS

Five municipal councils (Doha, Wakrah, Khor, Thakhira, Rayyan and Umm Salal) are now functioning in the peninsula. They operate their own planning and development programmes while remaining directly answerable to the Ministry of Municipal Affairs for the time being. Doha projects in various stages of fructification at this level include an abbatoir with associated cold storage and wholesale market facilities and an 80-bed rest house for long-distance truck drivers.

FINANCE

The Financial Affairs Department of the Ministry of Finance and Petroleum continues to act as the "custodian of the State's economic security" with a wide range of authority. Functions include formulation of financial policy preparation of the general budget from ministerial drafts and of the "final accounts of the State," drafting and issue of financial regulations, and collection of taxes and fees.

The department works closely with a State Audit Office, established in early 1973, for the main purposes of checking departmental accounts and scrutinising all contracts involving expenditure of over QR 100,000 before signature.

The State's budget for the Moslem year AH 1395 (which commenced on January 12 this year) provides for a total capital allocation of QR 1.8 billion, an increase of about 60 per cent. over AH 1394, and recurrent expenditure of about QR 2.2bn. Main expenditure heads include heavy industry (QR 305m); housing, water supply and electricity supply (QR 802m); transport, communications and agriculture (QR 477m); education, health and information (QR 275m); and justice and security (QR 144m).

External investment is directed by the Investment Board for State Reserves under the chairmanship of HH the Emir in accordance with annual programmes and long-term policy. An Investment Office has been opened in London.

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Qatar is an increasingly active participant in joint Arab investment projects. It is a shareholder in the Arab Investment Company, planned to function as a merchant bank and the Islamic Development Bank which is to concentrate on development projects in under-developed areas where the Moslem faith prevails.

The Qatar National Bank—established in 1964 with a wholly Qatari capital to "encourage economic development and to support the national economy"—continues to make steady progress. The annual report for the year ended December 31, 1973, stated that deposits and advances had increased by 33.8 per cent and 34.8 per cent respectively over the previous year, while total assets (excluding contra accounts) rose by QR 76.6m (30.4 per cent). Net profit at QR 10.690m showed an increase of QR 2.164m after provision for all contingencies.

A second wholly-owned Qatari bank, the Commercial Bank of Qatar, opened early this year with a diversified equity of QR 10m.

Non-Qatari banks now operating in Doha include the British Bank of the Middle East, the Chartered Bank, National and Grindlays Bank, the First National City Bank, and the Banque de Paris et des Pays Bas.

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Qatar has been a member of the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (World Bank) since September 1972. Earlier this year it was one of nine countries to announce their willingness to contribute collectively the equivalent of $US117m. to the World Bank's "Third Window" interest-subsidy fund, intended to assist the Bank to allow loans to poorer members at rates between its standard terms and the concessional terms of its affiliate, the International Development Association (IDA).

COMMERCE

Qatari imports totalled QR 1,068.945m *in value last year* —QR290.505m more than in 1973 and QR 763.454m more than in 1970. Three industrialized countries shared 42.13 per cent of the total market—Japan (17.8 per cent: QR 190.941m), Britain (14.01 per cent: QR 149.676m) and the United States (10.25 per cent: QR 109.493m). Britain thus surrendered its status as leading overall supplier of visible exports for the first time in the recorded commercial history of the State; the value of its trade declined by QR 65.185m, in comparison with the previous year, while Japan's rose by QR 104.580m and that of the US by QR 29.453m.

However, in the first six months of this year British exports increased in value by 164 per cent., to approximately QR 200m, compared with the same period last year.

Other significant 1974 suppliers were Lebanon (6.28 per cent) and West Germany (6.16 per cent). Three countries (Holland, Australia, and India) contributed more than three per cent; six (Italy, Kuwait, France, Dubai, Saudi Arabia and Belgium) more than two per cent; 11 more than one per cent; and 37 less than one per cent.

Most high value import lines reflected important themes of Government policy—industrial diversification, infrastructural development, social advancement, and resistance to the impact of world inflation by bulk procurement of essential commodities. They included oil-field and gas recovery equipment and materials (QR 90.314m), steel bar (QR 80.879m) and pipe (QR 35.350m), automobiles (QR 80.480m), woven synthetic fabrics (QR 28.029m), sugar (QR 27.787m), non-electrical machinery (QR 24.433m), trucks (QR 24.381m), rice (QR 23.131m), livestock (QR 22.856m), electrical appliances (QR 22.407m), fresh fruit (QR 22.340m), timber (QR 22.028m), ready-made clothing (QR 21.178m), air conditioning equipment (QR 19.557m), pharmaceuticals (QR 19.517m), wheat (QR 18.015m), capital equipment units (QR 15.635m), Portland cement (QR 15.340m), steel manufactures (QR 14.369m), fresh vegetables (QR 11.710m) and electrical machinery (QR 11.495m). There were also heavy intakes of spares of all kinds.

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The Customs Department recorded the State's 1974 import trade in the form of 202 product categories under 89 divisional heads. Japan ended the year as leading supplier in 20 of these categories, including steel bar (with trade worth QR 50.936m), automobiles (QR 33.967m), steel pipe (QR 23.924m), woven synthetic fabrics (QR 16.145m), radio and television sets (QR 9.235m) and steel sheet (QR 3.711m). Britain—with a more diversified trade—was leading supplier in 35—notably *mechanical spares* (QR 15.950m), electrical appliances (QR 11.316m.), non-electrical machinery (QR 9.456m.), electrical machinery (QR 7.661m.), lubricants (QR 4.842m.), diesel engines (QR 4.734m), cigarettes (QR 4.731m), capital equipment (QR 4.344m), pharmaceuticals (QR 4.292m), electric cable and wire (QR 3.484m) and metal manufactures (QR 3.098m). The US led with oil and gas items (QR 19.993m), air conditioning equipment (QR 13.097m), trucks (QR 7.415m), automotive spares and accessories (QR 7.090m), tiles (QR 3.245m) and six other products.

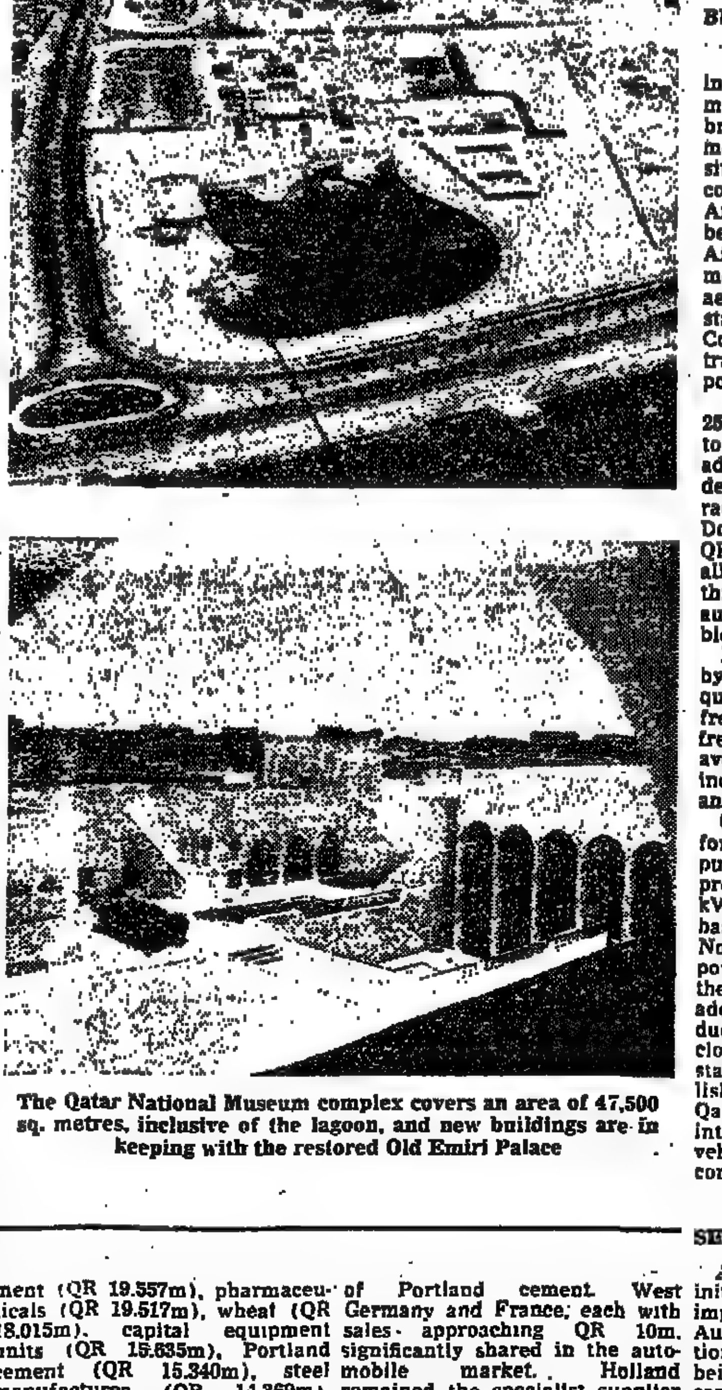
* * *

However, the universality and pragmatism of Qatari commerce is perhaps more clearly discernible elsewhere in the statistics of the Customs Department. Brazil, for instance, was the State's main source of sugar supply with shipments valued at QR 19.272m. Thailand provided most rice (QR 10.182m) and Austria most timber (QR 10.022m). Australia and Canada together dominated the wheat market with sales totalling QR 15.737m. Romania and the Philippines were among suppliers of Portland cement. West Germany and France, each with sales approaching QR 10m. significantly shared in the automobile market. Holland remained the specialist supplier of refined cooking butter, Hongkong sold most ready-made clothing, India most tea, Denmark most powdered milk, Italy most refrigerators and Pakistan most wheat bran.

Supply from Gulf neighbours and other Arab sources, governed by re-export as well as geographical factors, totalled QR 199.311m in value. Lebanon's share (QR 67.038m.) confirmed both its status as the State's main provider of unprocessed food (*fresh fruit alone earned* QR 10.998m) and the increasing efficiency of road and air freight services between the peninsula and the Mediterranean coast.

* * *

Exports and re-exports exclusive of crude and petroleum products, totalled QR 145.747m in value compared with QR 67.159m. in 1973. The main recipients among 28 recorded by the Customs Department were Saudi Arabia (QR 19.285m), the Philippines (QR 15.225m), Brazil (QR 13.994m), Iran (QR 13.531m) and Sweden (QR 11.437m). Fertilizer shipments (QR 86.156m) were by far the most valuable; their destinations included Iran, India, the Philippines, Egypt, Brazil and Sweden. Automobiles (QR 20.420m) and trucks (QR 6.487m) were prominent in the trade.



The Qatar National Museum complex covers an area of 47,500 sq. metres, inclusive of the lagoon, and new buildings are in keeping with the restored Old Emiri Palace

BROADCASTING

In September HH the Emir inaugurated a powerful reinforcement of the State's sound broadcasting service; a 750 kW medium frequency transmitter sited at al-Arish, on the northern coast, to enable after-dusk Arabic-language programmes to be picked up as far away as Afghanistan and Morocco by means of a six-mast directional aerial system. Supply and installation was by The Marconi Company under a QR 4m. contract inclusive of a diesel-fuelled power plant.

Plans for the installation of a 250 kW shortwave transmitter, to cover the same area, are well advanced in conjunction with design work for a new sound radio station to be built near Doha at an estimated cost of QR 25m., British consultants are allowing for the incorporation of three studios, one with a 220-seat auditorium, within a five-storey block.

Domestic sound transmissions by existing 100 kW high frequency, 50 kW medium frequency and 10 kW medium frequency equipment currently average 12 hours daily and include English-language news and entertainment programmes.

Colour is currently accounting for over 50 per cent. of the output of two television transmitters providing a total power of 200 kW. Expansion planning is based on construction, by a Norwegian company of a high-power transmission complex on the western coast, provision of additional studio and other production accommodation at a site close to the existing television station just north of Doha, establishment of a training centre for Qatari technical personnel, and integration of outside broadcast vehicles on order from a US company.

SHIPPING

A national shipping line, initially to specialize in livestock imports, mainly sheep from Australia, is in process of formation. An 8,000 grt vessel is being converted to a livestock carrier.

The Government is to increase the capacity of Doha's existing man-made port, completed in 1970 at an estimated overall cost of QR 114m, by extending the deep water berthing quay by 1,000 metres to take another five ships.

British consultants have been appointed to provide the Government with a comprehensive feasibility study covering long-term port requirements.

Ship arrivals totalled 397 last year—105 from Europe, 49 from North America, 37 from Australia, 112 from India and Pakistan (Gulf services), 13 from Africa and 81 from the Far East.

Cargoes totalled nearly 573,500 freight tons—plus 100,330 head of livestock.

AVIATION

The Government has decided to proceed with plans for the total replacement of the existing Doha International Airport and a construction contract has been awarded to an Indian civil engineering company. The new terminal complex will operate on separate arrival and departure levels and incorporate air bridges providing direct access to waiting aircraft. Baggage handling systems will be fully electronic and one runway will be 4,500 metres long. Overall expenditure in the order of QR 300m will ensure that the new airport to be sited 25 km south-west of Doha, will compete with its most advanced counterparts in the Middle East.

The Civil Aviation Department recorded 12,398 aircraft movements last year, incoming passengers totalled 117,737 and outgoing 115,557.

Qatar's national carrier is Gulf Air — owned equally with Bahrain, Abu Dhabi and Oman. The airline, which has been operating four VC10 aircraft to London with its own crews since April last year, expects the first pair of four extended range TriStars, with Rolls-Royce RB-211 engines, to enter service early next year. Options have been taken on four more; these may be fitted with the more powerful Dash 524 version of the RB-211 now under development. The airline, which also operates a network of Gulf and Asian services, mainly with BAC 1-11s, has reported record nine-month growths in cargo and passenger traffic for this year. Cargo carried up to August 31 increased by 274 per cent compared with the corresponding period last year, from 2m ton miles to 7.8m., and revenue passenger miles increased by 158 per cent.—from 246.492m. to 637.060m. The number of passengers carried rose from 301.719 to 469.719; the relatively small increase of 56 per cent reflected the airline's transformation from a short-haul to a long-haul carrier.

TELECOMMUNICATIONS

Work on an earth station for beaming on the internationally-owned Indian Ocean satellite, by means of a dish antenna, is nearing completion. It will initially carry 30 international telephone circuits as well as TV and radio traffic. Construction is in the hands of a Japanese company under a QR15.5m. contract awarded in May 1974.

A US-built computer-controlled automatic telex exchange is also due to enter service by July next year in response to an anticipated long-term traffic growth of over 30 per cent annually. The estimated cost is QR 4.5m.

Doha's fully automatic telephone exchange is being expanded by 5,000 lines to 17,000. The rate of telephone ownership—12.40 instruments per 100 of the population on January 1, 1974—is the highest in the Arab World.

Existing international telecommunications systems are channelled through Bahrain by a tropospheric scatter link capable of carrying up to 132 voice grade circuits.

Additional Information

Additional information concerning subjects covered by this advertisement can be obtained direct from the Director, Ministry of Information, Government of the State of Qatar, PO Box 1836, Doha, Qatar, Arabian Gulf, or through the heads of Qatari overseas diplomatic missions.

The Qatari ambassador in London, HE Sheikh Hamad bin Saif al-Thani (10 Reeves Mews, W1: telephone 499 8831/telex 28469), is also accredited to Denmark, the Netherlands, Norway and Sweden.

European representation also includes ambassadors in Bonn (HE Sayed Mohamed Ali al-Ansari), Brussels (HE Sayed Khalifa Sultan al-Asiri), Paris (HE Sayed Ibrahim Hamad al-Nasar, additionally accredited to Italy and Spain), Vienna (HE Sayed Fahad bin Fahad al-Khater) and a consul-general (Sayed Abdulrahman Hamad al-Attiyah) in Geneva.

Their addresses and telephone/telex numbers can be obtained from the London embassy.

Getting to Qatar is no longer an adventure—but this has only been so for the last ten years since aviation and roads have been developed.

Communications

QATAR's EMERGENCE from a world of total isolation apart from the occasional British India Line vessel and weekly DC-3 flights to Bahrain is startlingly recent.

It was not until the early 1960s that anyone other than a fully-equipped desert driving party could use any form of land route into the state; regular calls by modern jets did not begin until 1966 and only in 1970 were the first deep water berths built and lighters for both passengers and cargo no longer needed. Fifteen years ago no one other than a sheikh or a Government official had even the simplest of telephones—there will be over 17,000 lines in use by late next year.

As the Emir struggled to develop his country in the mid-sixties from the less potent position of Prime Minister, he was faced with a bewildering array of priorities in the communications field. The telephone service was then, and still is, being managed by Britain's Cable and Wireless, minority shareholders in the State Telecommunications system. Similarly Qatar was a shareholder, though a minority one, in Gulf Aviation the small local airline.

Sheikh Khalifa, while urging expansion on both parties, felt he could leave the details to them, and he concentrated his major initial interest on international road links and building a proper port.

The State's modern road plan dates from 1967. Qatar had a system of low-standard tarmac roads in certain areas, but the first priority of the planners was to drive a top-class highway to the Saudi border and link up with the main roads to Kuwait and (via the Tapline road) Jordan, Syria and the west.

The border post of Salwa was accordingly linked with the outside world in 1969. The second priority was to improve links with the UAE, and the stretch of road that lies in Qatar teritory and leads south-east to the Abu Dhabi border area was built in 1972.

However problems of topography and politics have delayed the last great road link still to be made in Arabia, that between Saudi Arabia and Qatar on the one hand and the UAE and Oman on the other. Trucks roar down the Qatar road to the border point of Suda Nathil before bumping over tracks into Saudi territory and then being faced with a most tricky crossing of "sabkha"—marshy salt flats that stretch for many miles into Abu Dhabi's western area.

When the link is put through, it will be possible for a truck to drive on tarmac without interruption from Calais to Muscat. More important for Qatar itself in the future is the fact that a road link will facilitate the expansion of its already burgeoning entrepot trade—at present confined to Saudi Arabia—to the UAE, bringing more flexibility to shipping in this congested region.

On the political front, the signature of a secret agreement between Abu Dhabi and Saudi Arabia in 1974, settling their old differences over Buraini, and supposedly giving the Saudis access to the sea between Abu Dhabi and Qatar, could help get a road through by 1977.

The port situation is at present alarming—as it is for every other Gulf state without exception. The vast increase in trade, coupled with a further log jam resulting from the arrival of Cape-route and Suez-route cargoes simultaneously over a four-week period in the summer, has resulted in waiting lists over a month long at Doha as well as elsewhere.

As a result, customs officials said recently, the successful Saudi entrepot trade had had to be cut down in order for Qatar's own needs to be partially met. At one stage last year, some 30 to 40 per cent. of goods arriving in Doha port—over 150,000 tons—were bound for Saudi Arabia due to the backlog at Dammam. The present level has been set at a maximum of 15 per cent.

Meanwhile the Government has surveyed possible port sites at Ras Reffan, north of Doha, and Ras Mishut, south of Umm Said. Development of a smaller fishing port is proceeding at Wakr and at Ruwais on the west coast where there is a regular six-hour dhow service to Bahrain.

Shareholders

There has been less of a problem with air comunications, though flights are fuller than ever in the Gulf. Gulf Aviation, now known as Gulf Air, no longer has British participation and Qatar, Bahrain, Abu Dhabi and Oman are equal shareholders. The Qataris are firm supporters of the airline and the Emir has put up the capital to buy the four TriStars that will inaugurate Gulf Air's jumbo age in April, 1976.

Port expansion is urgently being undertaken. Rendal, Palmer and Tritton submitted an interim report on port planning in mid-December and a final report in February: meanwhile Coode and Partners, who did all preparatory studies for the original Doha port, have issued tender documents for two more deep water berths and three intermediate berths at the same site, at a cost of around QR45m. Successful bidders should be known early in December—meanwhile the Government's Engineering Services Department has anticipated the award to the extent of reclaiming land nearby for workshops and precasting facilities.

Doha port could be extended even further. But the restriction is not in the basin area—it lies in the depth and width of the dredged channel leading to the shore. The RPT report, it is expected, will forecast future port requirements in the light of appraisals of various other sites.

One possible site for further general cargo berths is alongside the industrial port being constructed at Umm Said. The tenders are in for the first phase of this port, which will have six berths. There is a lot of dredging to be done, and Government planners feel that it would be sensible to make maximum use of the heavy expenditure involved by having two or more general cargo berths nearby. Under consideration is a site on the Fasht Al Arif, a coral headland immediately north of Umm Said port. The further development of the industrial port has not been planned beyond phase one; an extension would depend entirely on the success of the industrial zone over the next three or four years.

Air services to Qatar have steadily expanded, and apart from Europe and the Arab Gulf states, there are direct flights to Iran, Cairo, Bombay, Karachi and many other regional business centres.

Doha can take the largest jets, despite the rolling nature of its runway, but the terminal buildings must be regarded as the most meagre in the region in terms of facilities offered by a major international airport.

Part of the reason for this is the extensive nature of the plans for a new airport, and the lengthy discussions that have been held while the sites for both new buildings and a new airport strip have been changed — together with structural plans.

A final site has been selected at Nigrin, due west of Doha and ideally situated to take north-bound and southbound cargo traffic around the city.

There has been much fanciful talk about dozens of air bridges and other vast developments at the airport that Doha patently does not need, in fact the new airport will start in 1980 with between three and five of these bridges which automatically bring passengers on and off the bigger jets. The airport will be the largest and most modern in the Middle East, it is claimed—the only hitch in the proceedings to date is that the contract, awarded to Darwish Shah Construction, has temporarily been stopped and is officially "under review." The nature of this review is undoubtedly sensitive, and no work can commence until it is completed.

In the interim, hundreds of thousands of pounds worth of TriStar ground equipment, for both passengers and cargo, is pouring into Doha. There are some 110 movements a week, of which 77 are Gulf Air, and traffic figures are again soaring. 1974 showed a 52 per cent. increase in revenue over 1973 and 1975 should show a further 30 per cent. increase. The number of Qataris travelling has made up most of the increase as the new affluence spreads throughout the State.

Qatar is the headquarters of Gulf Helicopters, and four machines are now based there—but its biggest interest in commercial aviation outside Gulf Air is in the projected Gulf cargo airline. This has been mooted over three years, and observers feel that it is likely to come into being within 18 months with the Qataris as shareholders — particularly in view of port delays.

Conventional air cargo wisdom says that the "dead-legging" problem, with little or no cargo for return trips, would make such an airline very expensive. The obvious reply is that this still has to be paid for even if commercial lines such as TMA carry the goods—and speed is often more important than cash. A passenger airline merger between Kuwait Airways (Boeings) and Gulf Air (VC-10s and TriStar) has been discussed at various levels, but this the Qataris adamantly oppose, and it is not now likely to take place.

Qatar is now forging ahead with its own international communications lines.

When an earth station first proposed in 1972 it regarded by experts as to unnecessary in view of the cellent troposcatter link the world via the Bahrain e station opened in 1969.

But such is the growth ra international traffic, and sensitive are Gulf governm on the security of individual world commu tions, that a rationale ca found for Qatar's own statio Gulf terms—if not by co tional logic.

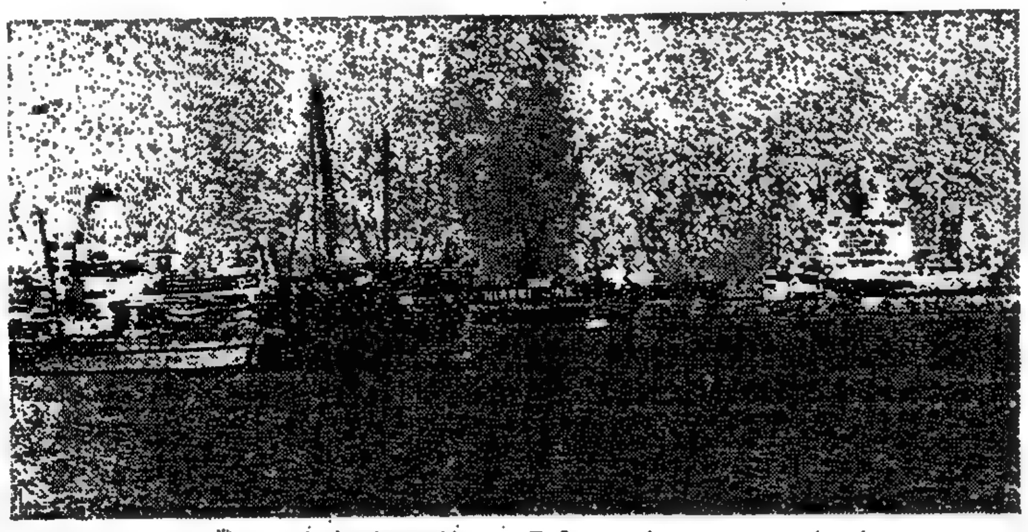
The earth station is b built by a Japanese com and will open in Februar March, with 15 voice char in immediate use: ulti capacity is unlimited and vision, high speed data other services can be car The five year forecast is some 70 circuits in com operation.

Within the state the Q National Telephone Se (QNTS) owned 75 per cen the State and 25 per cent Cable and Wireless, is findi hard to keep up with dem There are now some 12,000 with 20,000 sets in opera but over 4,000 people an the waiting list.

Cable and Wireless offici Doha hope that the openin the new 5,000 lines QNTS e sion switchboard in May/J 1976, will solve immed problems—further relief wi 15 months away: with 3,000 central lines and sat exchanges at Khor, Ruwais, Umm Said. Crossbar excha have been planned rather the new "Pentaconta" sy being used in the UAE, w QNTS feel is "too complica to risk at present.

Locally, ISD has been operation with Bahrain 1973: and a big variety of p bilities in this field will be a able from 1976 (the UAE Kuwait) and 1977 (all Euro countries and possibly the U An automatic telex exch will operate from mid- offering the local busines a service quite as importa the telephone.

Stefan Kem



Shipping in Doha port.

This year Qatar will import goods worth £450m.—for a population estimated at 120,000. Government investment expenditure, particularly on plant to utilise its gas resources are a major item, and general infrastructure spending is growing, as is consumer spending.

Import bonanza

THIS YEAR the import market in Qatar will be worth around $450m. (Though by the standards of other oil producers this may seem small, nevertheless taken in its context it is very substantial.) Qatar after all has an economy which is still in its infancy and there is a limit to the spending capacity of both the Government and its inhabitants—no matter how wealthy. As it is imports are expected to increase by nearly 50 per cent. this year.

QATAR IMPORTS
(QR 1m.)

	1971	1972	1973	1974	Per cent. (1974)
1—Japan	54.11	78.11	86.36	190.94	17.87
2—U.K.	193.21	160.57	214.86	149.67	14.01
3—U.S.	50.29	63.14	80.04	109.49	10.25
4—Lebanon	28.39	42.03	44.18	67.04	6.28
5—W. Germany	23.53	31.85	42.23	65.81	6.16
Total	515.86	607.26	778.44	1,068.94	100.00

Once one accepts the size of the market the interesting development over the past year for potential importers is the way in which the pattern of imports has begun to diversify. It is no longer a question of just more of the same things being purchased. Investment expenditures by the Government are now being made across a far broader spectrum with some major projects in prospect which will call for a wide variety of infrastructure items and plant. For instance the Government has embarked upon an ambitious scheme to utilise its gas resources for industrialisation and it has projects planned worth in the region of $1.5bn. over the next four years. These include a second natural gas liquids plant ($300m.), a petrochemical complex ($500m.), an export refinery ($250m.), an ore reduction steel plant ($200m.), an aluminium smelter ($200m.) plus a power station and desalination plant (over $300m.). And this does not take account of the possibility of a huge $2bn. LNG project. The initiation of some of these projects could bring the size of the market to over $650m. next year.

If these are the obvious areas of major capital expenditure, equally substantial sums are being spent on urban development, infrastructural improvements and education offering particular opportunities for all branches of construction. For instance, there are plans for at least two new hotels, a $150m. university, several new Ministry buildings and Doha port expansion. Added to this is the consumer side which has displayed an eager appetite for domestic appliances, electrical goods, automobiles, furniture and cosmetics.

Automobiles

Last year $21m. worth of passenger cars were imported by a population realistically estimated at under 120,000. Automobile spares were worth a further $6m. Still on the consumer side $1.5m. was spent on radios, $6m. on electrical appliances and $3m. on watches and clocks. These figures in isolation might sound small but they are extraordinarily large in relation to the market and almost certainly will have risen sharply this year.

Traditionally the market has been deeply penetrated by the British. However, last year Britain was displaced for the first time as Qatar's leading supplier. Its position was taken by Japan, which accounted for 17.8 per cent. ($48m.) against Britain's 14.1 per cent. ($37m.). In fact, Britain's trade, according to Qatar customs figures, declined from QR214m. ($55m.) to QR149m., while Japanese exports jumped from QR86m. ($22m.) to QR190m.—increasing its market share by over 6.5 per cent. Until then Britain had held a commanding position with its market share varying from 24 per cent. to 37 per cent. over the past four years.

Japan owed its sudden surge due to making a major penetration of the market for steel products. Sales of steel products — steel work, bars, sheets, pipes and angles — were worth almost $35m., almost two thirds of its total sales. Japan also sold a considerable amount of plant and machinery. In addition Japan has done well in areas where it was already a market leader such as television sets, radios, and to a lesser extent cars.

Although Japan has moved into a strong trading position it is unlikely to remain in top place. Britain still has an exceptionally broad based penetration in Qatar, much broader than any other single country. This is not surprising given its past ties, the relationships established between Qatari and British businessmen and the all important factor that British planners, architects and consultants play a very big role. (Llewelyn Davies, Ewbank and Partners and Sir Alexander Gibb are involved in many of the major projects.)

Indeed an analysis of the contracts which have been awarded to British companies over the past year suggests that Britain will once again become Qatar's principal trading partner. These contracts include at least $50m. worth of equipment to be supplied by Weir Westgarth for four desalination plants, a $30m. hospital being built by Bernard Sunley, reclamation and dredging of Doha port by Bos Kalis Westminster and Falcon Dredging. However, there is little room for complacency since other major contracts have been awarded to the Japanese (the ore reduction steel plant to Kobe Steel) and a petrochemical complex to the French (CDF-Chimie). Moreover, the Swedes, the Italians and the Germans have proved successful in picking up sizeable orders for power stations and generators. But this year up to August British exports, according to Board of Trade figures, show a rise from £11.2m. to £31.0m. — now putting Qatar in reach of Bahrain in terms of importance to U.K. suppliers in the Gulf.

Currently the U.S. is Qatar's third trading partner with 10 per cent. of the market. The U.S. nevertheless still retains a relatively low profile although U.S. businessmen have their eye on some of the petrochemical and gas development projects. Perhaps somewhat surprisingly the Lebanon is the fourth leading supplier with just over 6 per cent. of the market. This is attributable in part to strong sales of foodstuffs, and some construction materials but also to a certain amount of re-exports. The question of re-exports does distort the overall picture to some extent since Dubai maintains the position as the twelfth largest supplier, delivering almost $7m. worth of goods last year. It is also interesting to note that Qatar's neighbours and regional partners also play a small but important role in supplying Qatar.

R.G.

QATAR SURVEY VII

Young Qataris at school.

Like most countries of the desert Middle East, Qatar suffers from acute water shortage. Moves are afoot, however, to develop desalination—the standard water technology of the region.

Water supplies

QATAR HAS never been so fortunate as Bahrain, its near northern neighbour, in the ready supply of artesian well water available, or in the number of natural springs that have aided Bahrain's agriculture for centuries.

The desalination of sea water therefore became essential early in the State's development—and it has now grown into a vital and major aspect of the country's very existence.

Daily water consumption, both private and industrial, amounts to between 10m. and 10.5m. gallons in Qatar at the present time. But natural wells and well fields can provide only some 3.2m. gallons of the total, and the result of any prolonged interruption to the desalination process can readily be imagined.

The water is not merely necessary for drinking and washing—increasing industrial demands from the rapidly expanding business sector have to be met if the State's diversification plans are to be achieved. The Emir has accordingly given his approval for Italian consultants to draw up a 15-year master plan that could have Qatar producing well over 50m. gallons daily by 1980, with spare capacity for emergencies.

The first major new development to come on-stream will not be at Ras Abu Aboud, where expansion is already in progress just outside the capital, but farther south at Ras Abu Fantas. Italian engineers SIR are currently building the first stage of a desalination plant that could produce up to 30m. gpd when finished in 1980. They will have two units each of 4m. gpd, ready by the end of next year at the same time as the new power station there.

The second stage of the contract has been awarded to Weir Westcarth of the U.K., who will construct a further four 4m. gpd units. The six altogether will provide a basic 34m. gpd to Deha and the Umm Said industrial complex—but the Qatar Government hope to boost them further with chemical temperature technology.

Now, non-acid chemicals can be used in the heat exchangers of the desalination, permitting a rise in operating temperature from 195F. to 230—sufficient to boost production an extra 20 per cent. Ministry of Water sources are adamant that the new chemicals will be used wherever possible, and these can therefore bring Bas Abu Fantas' capacity up to a staggering 30m. gpd at full capacity.

A moderate level of expansion is being undertaken at Ras Abu Aboud. It is here that the first Qatari desalination units were installed in 1957, producing a mere 150,000 gallons a day. Richardson - Westgarth, Weir Westgarth and Siden of France's additions have gradually replaced outdated technology and brought the plant up to its present position of producing 7.5m. and (low temperature-LT) and 8.5m. on RT.

Now Siden are adding two 2m. gpd units (2.5m. RT) which will be coming on stream in August 1977.

This rather repetitive list of statistics is fundamental to the needs of Qatar's expansion, if these are to be fully realised. The Ras Abu Aboud/Ras Abu Fantas programme is designed to cope with the capital's needs over three to four years and, equally important, to provide satisfactory water supplies for the Umm Said industrial area to the south.

Concommitant with plant construction therefore is a large pipe-laying programme to connect Ras Abu Fantas with Umm Said as well as with Doha. Until the new station comes on stream, Doha can thus pump up to a maximum of 1.6m. gpd of its own desalinated supply to avoid an industrial crisis.

The large new town, and the diversification to be undertaken around it, make Umm Said one of the pearls in the development planners' necklace. To both Emir and Government it is special—and the planning of its long-term infrastructure has therefore been entrusted to the State's advisory authority on diversification, the Technical Centre for Industrial Development (TCID). To its mild chagrin, the Ministry of Water, for example, has seen the TCID take over the planning for Umm Said's own desalination plant, for which tenders are now being assessed, though contracts are unlikely to be let until April or May of 1976.

It is understood that Weir Westgarth, SIR and Siden are all on the tender list, together with German interests.

The plant, as is usual where energy is cheap, will be coupled with a power station, and it will start with two 4m. gpd distillation units (5m. gpd on HT). Just as the power station is planned in three phases, so the TCID plant is planned for a possible 12m. gpd.

Options

The TCID plant will take Umm Said up to 1980, just as the Ministry's plans will cope until them with other needs—none of the planners are looking at any decisions beyond that date. There are too many imponderables concerned with the State's rate of growth for more than general options to be sketched in.

On one thing Qatar is firm however—the natural well fields are to be taken out of use as soon as possible, and in any case no later than 1979.

Ministry experts confirmed earlier this month that the water table was falling fast, though there was luckily not a similar salinity problem to that of Bahrain. "More is being extracted than is refilling the fields," a spokesman said, "though the low level is due as much to increasing agricultural needs and offtake as to the Ministry's."

The Ministry, despite rebuilding and expansion schemes in the well fields, is rapidly reaching the stage where a policy decision will be necessary from the Government—does Qatar continue at its present rate of extraction and find itself with nation-wide brackish water, or does it limit the level now and increase desalination projects accordingly by bringing forward later plant phases?

There are three main areas of study—new water field potential, further desalination plant, and expansion of the incipient effluent treatment and recycling system in Doha.

Fresh water technology is the least likely to be pursued, despite the discovery recently of a field close to the Saudi border that is believed to be quite large. The water is not only mildly saline, but there is no soil in the neighbourhood for agriculture and the distances are too far from inhabited areas.

Sites for a further desalination plant are therefore being considered for future construction and—given an inevitable 4-5 year construction gap—operation in 1981-2. The best site is at Dukhan on the west coast, where there is already a small 250,000 gpd plant for the cement works, and where natural or associated gas is easily available. There is also talk of building a plant at Ras Laffan, the presently empty headland north of Doha near which large natural gas discoveries have been made.

In any event, the effluent treatment system will be extended, though at what pace it is hard to say. Doha is already operating its full-scale sewage recycling plant, and water towers store treated water which is distributed around the capital's gardens by tanker service, even though the plant is not fully in commission. Soon an effluent pipe network will have been laid and as more and more homes come on main drainage, an estimated 2.5m. gpd of water will become available every day.

Qatar, as one wistful engineer pointed out, had never really enjoyed the benefits of its new units as they arrived over the years—these "just disappeared" in a wave of demand almost overnight. But the expansion of new plant, coupled with new heat technology and effluent recycling, give the water planners reasonable grounds to hope that there will be no fingers of accusation pointed in their direction if industry and town planning get beyond target.

S.K.

Agricultural development can only flower if adequate irrigation is available to translate current plans into reality by providing suitable mechanical sources.

Agriculture

LANDMARK on the Ministry Indu.:ry and Agriculture's ıd towards making Qatar self-ficient in vegetables and meat s reached last month when Government's QR5m. 588,000) poultry farm at ım Qaran, about 30 miles rth of Doha, began operations. e farm, which is designed to highest international standards, will eventually produce n. eggs and 1m. broilers nually. It is expected to pply 80 per cent. of local mand.

A start was made on October with the import of 15,000 y-old chicks which thrived gorously. The chicks, all ended for broilers, were pplied under a contract with banese Hatcheries, but owing the recurrent troubles in irut additional sources may ve to be sought. The egg-ing section, for which the uses are ready, has yet to be rted.

Eventually, the farm will have own hatcheries and thus be lependent of foreign chick ppliers. All feed, that is ize and concentrate, will still ve to be imported.

urveys

The poultry farm is the first vernment project to arise om a two-year hydro-agricultural survey of Qatar's 4,000 uare miles of pitiless desert rried out by UNDP and FAO perts and completed in September 1973. The objective of e survey was to assist Government in the integration of nited water resources with riculture, taking into consideration the present and possible future uses of water for dustrial and municipal purses. Further follow-up and idging surveys have been ade which have established a imate and groundwater observation network, completed a ll survey reconnaissance and rried out a wide range of inter and summer horticultural trials.

In the preceding years—with rming and market-gardening rtually non-existent as ecently as the 1950s—the inistry had already made emarkable progress considerıg the problems it has had to ıce. These include no surface ater, negligible rainfall, high alinity in soil and ground water nd searing winds and sandtorms which burn off foliage.

Nevertheless, by 1974 Qatar ad 450 farms and holdings veraging 30 donums (30,000 . metres), of which 120 are the Qatar area. In 1974, 5,520 tons of fodder (mainly lfalfa) were produced and 18,342 tons of vegetables.

Qatar is now almost self-sufficient in vegetables throughout the year. Main crops are tomatoes (of which about 150 tons are now exported annually between January and May), aubergines, okra, marrows, squashes and melons. An encouraging start has been made with fruits including citrus; dates, figs, pomegranates, guavas, grapes and mulberries.

Centre of the Ministry's assistance to farmers is its research station at Rodait el Khail, about 75 kms. north of Doha. The station was started in 1963 and consists of 800 donums. There, experiments are conducted with different kinds and varieties of vegetables and fruits to determine those most suitable for local use. The effects of various insecticides and pesticides are examined. Guidance is given to farmers in up-to-date agricultural methods. Agricultural production is encouraged by free services which include tractor ploughing and the free issue of insecticides, pesticides, vegetable seeds, fruit trees and forestry seedlings.

After poultry, Government's next project is to be sheep-rearing on scientific lines. Following the evidence of the hydro-agricultural survey, an area has been chosen in the south on the border with Saudi Arabia. Artesian water is thought to be sufficient there to raise 13,000 sheep, and already 110 hectares are planted with alfalfa. This area will be greatly expanded to produce cheap fodder to be supplemented by concentrates. It is hoped to introduce the first flocks next year.

A third Government project, now in the planning stage, is for a dairy farm for 500 milch cows, to be located near the poultry farm. This will also grow its own fodder.

Veterinary services are to be enlarged (they are now understaffed) with the objective of improving farmers' livestock. There are now two veterinary departments, the first concerned with treatment and disease investigation and control and the second with breeding and feeding and management programmes. The centre for the veterinary services is in Doha but clinics are soon to be established in the north, centre and south of the country, together with mobile vet units. All veterinary services are free and when the cattle programme develops good stock will be given to farmers together with subsidised fodder.

A 1974 census showed Qatar's livestock population consisted of 5,616 head of cattle, 36,380 sheep, 42,315 goats, 8,148 camels, 297 horses and 68,600 "backyard" poultry.

For countless centuries the peoples of the Gulf have relied on the sea as a principal source of food. The Gulf teems with fish — 150 edible species have been recorded—but traditional catching methods have lagged far behind the present demand of the Gulf States' ever increasing populations.

Fish in all markets is now scarce and, unless subsidised, beyond the purchasing power of the poorer classes. To correct this situation a meeting was held in Doha last April to launch a Regional Fisheries Survey and Development Project, with all Gulf States participating and under the auspices of UNDP. The Project is part of an overall FAO survey of the Indian Ocean of which the Gulf is considered a part.

The localised project has now become operational with Doha as its headquarters and with FAO as the executing agency. The survey is to last three years and will cost $7m. with $5m. contributed by the participating countries. Twenty international experts in various fisheries' functions are now assembling in Doha and they will be provided with a fleet of six research vessels.

The team's main objectives are to identify the major fish resources, to determine stocks and the potential annual yield and seasonal variation and distribution. Test fishing is also to be carried out to identify the most suitable types of fish-finding and fish-catching equipment and to estimate initial catch rates in tons per vessel per day.

Shrimps

The survey is also to give early assistance to governments in measures to manage the highly profitable shrimp resources which in some cases have reached optimum exploitation. This, however, has not been the case in Qatar which was commended in a recent FAO report for its sensible shrimp conservation policy.

The Qatar National Fishing Company, which is managed by Ross Seafoods (Gulf) Ltd., began operations in 1966 and now has a fleet of six very modern trawlers, equipped with refrigeration facilities to enable them to fish further off-shore. The company is solely concerned with the catching of Gulf prawns for luxury markets in Japan and the U.S. The Company's accounts for the 20-month-period ended February 28—the adjusted new date for the end of its financial year — show a net surplus of QR926,682. After taking into account the transfer to compulsory reserve of QR92.668 and the balance from the previous year's profit and loss account of QR442,190 there was a balance available for distribution of QR1.8m. and a total dividend of 15 per cent. was paid.

An interim report issued to shareholders on 1st June, 1974, showed a net surplus of QR1.1m. for the period of eight months to February 28, 1974, but in their final report the directors regretted that the excellent trading conditions of the first eight months did not continue through the whole 20-month period. Catches were lower and because of the world-wide economic recession (following the energy crisis) selling prices of shrimp were about 36 per cent. down on the previous year. During the present season catches are improved and a small upward price trend is apparent.

Earlier this year the company was requested by Government to advise and assist in a project for the supply of fish other than shrimp, to the local market. The company is now operating a large, modern Dutch-built trawler together with shore facilities such as refrigeration, on behalf of Government, the latter being solely responsible for marketing arrangements.

R.I.

While up to the present Doha is not a town to get excited about, urban planners and oil revenues should soon make the Qatar capital into a pleasant place to live.

Town planning

A COUNTRY'S capital city is the mirror of its soul, to the outsider particularly—and the most fervent enthusiast for Qatar development would find it hard to get excited about Doha.

The town is in many parts ugly, with large areas of rubble and whole districts seemingly composed of junk yards with those broken breeze block walls so well known to Gulf residents. It is also widely spread out, with little sign-posting and few traffic lights. The overall aspect is made more barren by the Arab custom of enclosing gardens for absolute privacy, a home's beauty and trees are thus hidden behnd brown, unwindowed walls abutting straight on to roads of crooked alleys.

That having been said, a noticeable change has begun to come over the entire town as the plans and projects initiated during the four years since the Emir took power started to come to fruition.

A building site is an ugly place anywhere in the world, but a phenomenal amount of new construction is now under way on major public buildings, while new parks, an enormous university, a zoo, a giant sports stadium and allied complex and a vast land reclamation scheme for a prestige suburb on Doha Bay are all being developed as speedily as possible.

The University of Qatar is universally considered by those who have studied plans and site to provide an exampled opportunity for the best in modern architecture. The design is being prepared by Ove Arup and Partners and the buildings will cost an estimated £60m. when completed in 7-10 years' time. British consultants in Doha consider that this will be one of the most beautifully designed and land-scaped complexes in the Middle East—and praise from one's rivals in this region is praise indeed.

The University is to be built on a site to the north-west of the city, but it will overlook the new West Bay area, where land is being reclaimed from the sea to round of Doha Bay and build a hotel and conference complex, commercial and shopping areas, a diplomatic quarter and housing for up to 10,000 people. The southern profile of the area is now fixed on the mud flats, and building will start in 1976. The northern and eastern edges of the area are described by the Government's planning consultants, Llewellyn - Davies, Weeks, Forestier and Bor, as at present "in flux."

Llewellyn-Davies say that their plan for Doha is a 20-year natural growth scheme. While West Bay and the University will be among the prestige projects of the future however, much work is now in band on a series of new Government buildings. A whole stretch of the corniche road in Doha is taken up with Ministries and departments in different stages of construction, several of which are very handsome indeed. Notable among them are the new Qatar Monetary Agency building, with its curved ramp approach, the slender Ministry of External Affairs, the National Bank, the Chamber of Commerce and the Municipality building. Work starts soon on the building for the Technical Centre for Industrial Development—but the most ambitious Ministerial scheme of all is only now being launched.

Parkland

This provides for an international competition for design for ten Ministries, plus the Advisory Council building, to share a big parkland setting on the outskirts.

The consciousness of a lack of local greenery is being met through such projects, together with the sports complex and the forthcoming zoo on which will feature large botanical gardens, a lagoon and a waterfall. Programmes of tree planting on road verges and on dual-carriageway centre strips are well advanced. Once the corniche area has been cleaned up and laid out neatly—the beautiful museum is spoiled by surrounding unsightly rubble and rubbish—the town centre will be radically improved.

The planners are not thinking only of new ministries, however; the cattle market and abattoir are being moved out of the *sug* area so that this can be preserved for "clean" goods; five new cinemas have been opened with two more to follow in 1976 and a big new hospital at Rumaillah will add distinction to the area as well as serving community health needs.

"New development is widespread and there should not be too much specific concentration in any one area," was the view of one planner recently. "Otherwise there is too much interference with land ownership patterns.

"The Doha plan allows for flexible alternatives; areas blocked out for development exceed the reasonable assessment of likely needs, because policy can sometimes change overnight."

One area of Doha likely to come under increasing discussion is the light industrial zone. Serious consideration is now being given to moving this further away and possibly right up to Umm Said.

The development of Umm Said, both as an industrial centre and as a future "second city" for Qatar is a main priority over the next four years, but its expansion, like that of other projected urban areas has to be seen in terms of the planners' philosophy.

"We have to build up independent small communities that have their own intrinsic identities outside Doha," one planner said last week. "We must build so that it is actually worthwhile going from one place to another for social reasons.

"At the same time we must make it possible to get to and from Doha as quickly and easily as possible in order to avoid dragging an even greater population into the central urban area."

The smaller urban concentrations will focus, it is planned, on different aspects of community life. "Strong physical design parameters," in the designers' phrase, will shape both the planned new housing and the way of life.

Umm Said town will be the first such new community—most of its population will inevitably work in the industrial area. It has a planned capacity of 30,000 which will be reached in stages—some 1,400 housing units will mark the initial phase, under Government sponsorship.

The zone system within the State has been developed with community links very much in mind. The sweep of large ring roads around Doha have greatly eased internal and by-pass traffic flow, while the northern communities and the west coast are in easy reach of Doha.

Since it is now firm Government policy to encourage growth outside Doha, such ports as Medinat Shamu and Khawr have first-class international standard cambered roads, with dual carriageway part of the way. It is also policy that all major roads are now constructed so that they can when necessary be converted into three-lane dual carriageways, as is now being undertaken from Dona to Umm Said.

The road system across to the Dukhan oilfields and the Umm Bab cement works is the current priority and is now under full reconstruction, with dual carriageway part of the way. A complete west coast road structure is also being designed at this moment so that there will be a perimeter route round the entire state, with every village of any significance at all within a few minutes of a major highway.

Flexible planning, a building philosophy based on the need to expand outside the capital and the construction of a first-class series of public buildings, even with the gradual "greening" of the capital, will not turn Qatar into a paradise overnight, nor in five years. But regular, orderly growth of this nature will greatly improve the working and leisure environment for the Qataris themselves and the increasing numbers of expatriates who will call the country home.

S. K.

Qatar is fast approaching the complete Welfare State as the Government seeks to distribute the benefits of its massive oil wealth to the population. Health and education are free and housing is heavily subsidised.

Social services

WITH A huge annual income to spread over a relatively small population Qatar is fast approaching its aim of becoming the complete Welfare State.

The declared policy of the Emir is to create a balanced society in which all will benefit and wealth will be used to the good of all, but not in a manner which might prove demoralising. Medcial care and education are free. A "popular housing" scheme exists with homes offered with interest-free loans and instalment repayments on the easiest of terms.

A comprehensive pensions scheme has been drawn up and awaits legislation — aid is already given to the destitute and needy. There is no income tax or other tax on the individual. A nominal 2½ per cent. duty is paid on imports, with none on fresh foods and livestock. Basic foods are subsidised to minimise the effect of inflation on prices. Rents are controlled. There are no rates; domestic water and electricity are without charge to Qatari nationals.

Education is not compulsory but the day is not far off when 100 per cent. attendance of both boys and girls could be a possibility. Throughout their schooling all children receive free books, meals, transport, clothing and shoes and boarding facilities if required. Grants are given for the children of poor parents. The three stages of education are: primary, six years; preparatory, three years and secondary, three years. Free scholarships for higher education abroad are given to all who qualify.

The picture to-day is vastly different from that of the year 1952 when a first primary school was opened for 250 boys with six teachers. This year the number of schools totals 108 attended by 31,166 pupils of whom 13,535 are girls. There are 1,971 teachers.

The number of young Qataris studying abroad is now 789 of whom 137 are girls. Most favoured countries are Lebanon, 286 students; Egypt, 214; U.S., 121; U.K., 83 and Saudi Arabia, 38.

Expenses

Besides having all their expenses covered, students abroad receive up to £100 a month pocket money.

Special emphasis is now being placed on Teacher Training and in 1973, with the co-operation of UNDP and UNESCO, a Teachers' Training College was opened which is now attended by 161 students, 63 men and 98 women. The College is now being expanded into a University of the Lower Gulf with additional faculties for civil aviation, science, engineering and administration.

The Ministry of Education's budget for 1974/75 was just under QR11m. making the per capita cost among the highest in the world.

Free public health services are extended to all residents of the peninsula regardless of nationality. The Ministry of Health has not found it easy to keep pace with a rapidly expanding population but a new 648-bed hospital is now being built in Doha to supplement the 400 beds available at the city's Rumaillah Hospital.

With five small "cottage" hospitals and several specialist and general clinics located in Doha and the interior, the Medical Services can now muster 600 beds attended by about 100 specialists and doctors.

When the new hospital is in use, the Rumaillah hospital will be converted for obstetrics, gynaecology, children's treatment and female geriatics. The women's hospital, which was added to Rumaillah in 1959, will be used for long-term male care, male geriatics and chronic psychiatrics.

Tertiary cases — for example those requiring cardiac and neuro-surgery — continue to be sent abroad, many to London. Passages and expenses are paid not only for the patient but also for a travelling companion if this is desired.

The Ministry of Labour and Social Affairs is responsible for the "popular housing" scheme which is applied for three categories: senior staff, limited and low-income groups.

Senior staff can build their houses to their own design and where they wish. Land is granted free, and they can obtain a loan of up to QR130,000 of which 40 per cent. is a direct grant and the remainder repayable at the rate of QR500 monthly. Limited income group houses are standardised and consist of three to four bedrooms, two bathrooms, dining room, lounge, kitchen and two verandahs. Loans of up to QR90,000 are given, 40 per cent. being actually Government grant and 60 per cent. repayable over 20 or 25 years according to income. In the lowest category payments, if any, are purely nominal. Those with a monthly income of less than QR400 monthly are charged nothing, but their houses remain Government property. In each category furnishing grants are given, senior staff receiving QR25,000.

Over 4,000 houses in the second and third categories have been built with a further 300 under construction.

At Medinat Khalifa, just north of Doha, which was bui of standardised houses as pilot model town, a first con prehensive Consumer Co-op ha been established to assist it t become an entirely self-con tained community.

The Ministry of Labour an Social Affairs is also respon ible for giving aid to those wh are unable to work or wh have no means of suppor Families are paid not less tha QR700 a month, according their size, and single person QR300 monthly. There is r unemployment among Qatar able and willing to work.

Two other social servic which are now being organise are, first, a training scheme instruct women in outlyir districts in modern hygien baby-care and domest sciences and, secondly, house-to-house visiting servi to provide meals and care f the aged, infirm and sick.

Entertainments

A major problem facing t Government is how to impro the "liveability" of the count so that its trained youth is n drained away abroad where t climate may be less harsh a the entertainments more varie

A magnificent sports stadiu to contain 45,000 spectators h just been completed in Do and next Spring this will the venue for the annual G States Football Tournament which seven countries will co pete. About 20,000 football fa from outside Qatar are expect to arrive with their teams. T stadium is the centre of a sports complex which incluc four extra grass football pitch and facilities for athleti basket-ball, volley-ball and ha ball.

The go-ahead has been giv for two seaside leisure cent for residents, one just sou of Doha and one to the no at the town of Al Khor wh flanks a fine sandy bay. B centres will have 100 chal which can be hired by the d week or month, cafeteri tennis courts, swimming paddling pools and marinas small boats. Al Khor will ha a golf course.

Qatar is also to have a la modern zoo, about which Peter Scott has already be consulted.

Next summer Dona will h a festival of folk dancing wit groups from Lebanon, Egypt a possibly Hungary and Spain w be invited to perform.

Plans to attract internatio tourists have been shelved the present until more ho accommodation becomes av able.

R.

SOCIETY TO-DAY: SOUTH AFRICA BY JOE RO

Questions British firms should answer

RITISH companies with subdiaries in South Africa should all conscience alleviate the orking conditions of their ack employees, pay them ore, and invest what they can their well-being. This moral ıligation persists; it has not ınished merely because it is me time since the issue was st aired in the newspapers. ıe campaign continues, as the ıard of Consolidated Gold elds may discover at the mpany's annual meeting this orning.

I will get to the particular se of Gold Fields in a moment; is more important to set out ıy the general campaign, ıich applies to the whole of ritish industry, should be suprted by the entire business mmunity—and promoted by eryone with shares in the levant companies.

Special

The first reason is that itain still has a special relanship with South Africa. The ıntry is, after all, an Angloer invention. The smaller lf of its ruling white populan is still English-speaking; many kith-and-kin links re not severed when the public was eased out of the mmonwealth. Nearly every ge British company has some ıth African interest; in terms trade and investment Britain probably still the Republic's st important economic rtner.

All this makes our responsility direct. People who ınter suggestions for improv- the conditions of life for ıth African blacks with ıarks like "what about the ıiet Union?" or "it's worse India" are simply evading lity. It is possible to make ositive contribution in South Africa; in most other places it is not.

The question is, what contribution? This is a matter of much dispute. There are those who say that the only correct approach to apartheid is to support people who seek to conquer it by military force. The responses to this are surely that: (a) as a matter of analytical fact the military campaign will emerge if and when those who are willing to do the fighting are ready; (b) the South African forces are immensely powerful: and (c) other forms of pressure are likely to be more productive, at least in the short run.

In any case, it would not make much sense to advocate involvement in anything of the kind.

Others advocate a boycott of all things South African. This can be useful carefully approached. The exclusion of the Republic's teams from many international sporting events has undoubtedly been effective, for the barriers to the participation of black South Africans in many sports have started to come down. On the other hand, the refusal of, say, liberal-minded academics to serve in South African universities might simply waste an opportunity to spread a little light.

The same complexity applies to business dealings. It is hard to stomach the idea of selling arms to the Republic, however good a price may be obtainable. There may be a case for withdrawing existing civilian investments, although this would be a once-for-all gesture, leaving the physical assets in the hands of white South Africans. It is when this case is not accepted—as it is not by much of the British investment community—that we come down to civilised ground-rules for the behaviour of companies with responsibilities out there.

Accepting these ground-rules does not mean that all other forms of opposition to apartheid are to cease: there are many ways of meeting this British responsibility, of which better business behaviour is just one.

Just what constitutes better business behaviour is by now fairly well documented. The Fifth Report of the Commons Expenditure Committee, session 1973-74, entitled *Wages and Conditions of African Workers employed by British Firms in South Africa*, suggests a clear code of practice. One form of Government interference in the private sector justifiable on most counts was the subsequent Government campaign to persuade all companies with sizeable investments in South Africa to adhere to this code and to show in their annual reports the extent to which they are doing so. The Department of Trade should redouble its efforts.

Code

The usefulness of this kind of code—whether you favour a revolutionary approach to South Africa or a conservative one—is that it puts a little more porridge into a great many bellies. It has already achieved this, and pressure should be maintained so that it continues to do so.

But there is another, more overtly political, aspect to the Expenditure Committee's recommendations. While acknowledging that "the migrant labour system, which has been subject to criticism not only for its economic but also its social consequences, is in many cases legally imposed on companies and their African employees," it points out that there is much that companies can do "to see that their employees have a legal right to reside with their families within commuting distance of their work" (Page 101).

This is the essence of the matter. It is fundamental to both the theory and the practice of apartheid that black workers shall, so far as possible, be temporary visitors to white South Africa. That this is an economic nonsense is shown by the many permanent non-white inhabitants of the special satellite townships outside the main cities. Even so, this principle is the one that sustains the idea of black "homelands"—tribal areas—separate from the rest of the country.

Just about everyone has condemned the migratory labour system practised in South Africa. Even the Dutch Reformed Church, the Afrikaners' own, has spoken out against the "evils resulting from broken families, an unstable community, and a frustrated striving towards better opportunities for employment. . . ." Any British or British-influenced business that invests, or alters its existing investments, in such a way as to cut down the amount of migratory labour may be doing a good as positive as a direct increase in wages.

For example, Sir Val Duncan, the chairman of Rio Tinto Zinc, repeated in May his often-heard view that "there is no question of us using contract labour or compound labour. We just don't and won't do it."

Now Rio Tinto's operations at Palabora happen to be conveniently near a section of the Zulu "homeland," while its low-grade ore requires a semi-skilled labour force of a kind that is most usefully recruited from stable, established families—so morality mingles well with expediency in this instance. Again, ICI, whose South African associate is committed to phasing out its own migrant workers, is anxious to point out that this must be a slow process.

Pressure

Yet both companies, and others like them, are at least facing in the required direction: the task in such cases is to keep up the pressure in the interest of more of the same. This applies particularly to the employment of Africans whose homes are in the Republic: what they used to call out there "foreign natives" (black labourers from Mozambique, or Malawi) are migrants whose remittances home are useful and whose situation would be best eased by higher pay, more frequent home leave or, simply, housing that provides for their families to accompany them on their secondment to the mines.

In the short run, as Malawi has discovered, the earnings of such workers would be very much missed; in the long run the right answer is to develop employment opportunities for them at home.

It is here that Gold Fields comes in. Through its associate Gold Fields of South Africa, it is responsible for the overwhelming majority of the Africans employed by U.K. mining companies which reported to the Trade and Industry Sub-Committee of the Expenditure Committee of the House of Commons. It is one of the several British companies that have a plain duty to lead in this matter: it should be in the forefront of the effort to improve the conditions of employment of its black workers. I am told that its chairman, Mr. Donald McCall, believes that it is such a leader, and no doubt his address to shareholders to-day will contain arguments to back this up. Expediency comes in here too: GFSA has already found it can do with a smaller, if better-paid, labour force.

In advance of that address a group called Christian Concern for Southern Africa (1 Cambridge Terrace, Regents Park, London, N.W.1) is publishing a detailed and critical account of Gold Fields record. This is not one of your wild long-haired pressure groups: it works carefully, and its aspirations like its allegations, are moderate.

This particular report was partly inspired by several Church organisations (CCSA is ecumenical) which are concerned about their own investments in Gold Fields; one of the last acts of Cardinal Heenan before his recent death was to urge the publishers of this report to proceed with the studies leading up to it.

The essence of the CCSA accusation is that far from being a leader, Gold Fields has lagged behind. There have been very large pay increases, totalling several hundred per cent., for Africans in the group's mines—but, says CCSA, most of them still have average wages, in cash and kind, "below most, if not all, current measures of the barest subsistence level including those derived for the so-called homelands." It points out that the increase in the price of gold makes it possible to do a great deal better and still return a good profit.

A similar accusation that the company is a laggard applies to its policies, and its proclaimed intentions, on migrant labour. "Could try harder," says the report in effect (I have chosen the kinder form of words)—and, if this is so, of course, Gold Fields should.

If the intentions of this or any other company with investments in South Africa are sincere, there is a straight-forward way of proving it. The Government, through the Department of Trade, has invited all companies to publish information regularly about pay and other policies in a given, standard form. This shows the number of Africans in the lowest paid grades, the nearness of their pay to the measures of poverty (which must be carefully defined) and the timetable for doing something about it.

Statements about past increases that do not give such details can usually be dismissed as mere puffs. Shareholders may look for such information in company reports and if it is not there ask why. To-day, for instance, Mr. McCall might address himself to the precise form of questionnaire proposed by the Government and, better still, the additional questions and proposals outlined by Christian Concern on pages 3 to 6 of their report published to-day. Likewise, when other companies present their next annual reports they may do the same. It is not an easy situation; a common, toughly-applied yardstick of this kind is essential if the pressure is to be maintained.

Letters to the Editor

Import controls and GATT

From Mr. Michael Noble, MP.

Sir,—In the past few years following the unprecedented expansion of multilateral world trade, particularly from the developing nations, a new situation has arisen. Inflation, the oil crisis and a worsening world recession urgently suggest that we question the arrangements for the management of this trade—GATT (the General Agreement on Tariffs and Trade). In a period where industry is adjusting to rapid change, the arrangements are no longer flexible enough.

In textiles, to take just one example, Governments have intervened with assistance for rationalisation. In the cotton and allied sector, modernisation, introduction of multi-shift working and other modern management techniques have been associated with a contraction of the labour force from 250,000 in 19.. to 80,000 to-day. The industry is now on the verge of extinction with further large-scale redundancies, short-time working and mill closures on the way. Only action to stem the unparalleled flow of imports will halt this dangerous slide. The question is whether the Government has the will to act to preserve vital industrial capacity.

Selective import controls are permitted under GATT Article XIX where industries are threatened by, or suffering injury from, disruptive imports. There can be no doubt that this is the case with textiles, footwear and other industries. Why is the Government so reluctant to invoke Article XIX? It is claimed that there is likely to be retaliation, but up to 1973 that Article had been invoked 61 times and retaliation occurred in only three cases. Clearly the international community can recognise and sympathise with our difficulties.

Action should be taken now to give confidence for investment decisions. Having acted, the Government should work with the greatest urgency to reform GATT. It is essential that Article XIX is revised so that nations facing problems of economic adjustment can make the necessary changes without the kind of damage faced by textiles and footwear in Britain. Nations must have the confidence that they can take action when industries are faced with competition they cannot meet and this must be done under the supervision of an international treaty. The alternative is the further proliferation of "illegal" devices which are now such a prominent feature of international trade and the biggest danger to genuine liberalisation.

Michael Noble.
House of Commons, S.W.1.

The shirt industry

From the Managing Director, Arlington (Savile Row) Shirts

Sir,—I refer to the letter on the question of knitwear imports (November 13). Our experience in the shirt industry is entirely different. While we agree that it is beneficial to the British economy to export garments which have already been imported, we would point out that the benefit is only marginal and we see no reason why the importer should not be able to buy such garments providing he can prove they are for export. The mechanics of such a scheme, known as "draw back," are already in existence and would only need to be adapted.

Furthermore, in an independent survey which was recently carried out in the shirt industry, it was noted that in many cases the price of imported garments was marketed at the same price as those made in Britain. One can only therefore assume that the importer or retailer is making an extra profit at the expense of British jobs. We feel that these two points reinforce the argument for some sort of limited import controls.

J. Doltis.
Old Church Road, Whitehouse, Newtownabbey, Co. Antrim.

Weaknesses of the MFA

From Mr. N. Sussman.

Sir,—Your correspondent Mr. T. M. Koessler (November 13) pleads a very emotive case for the importers, citing the position of his own company which re-exports 80 per cent. of the Far Eastern produced merchandise, claiming that as a direct result of the quota imposed upon Taiwan "we do not know whether there will be any merchandise allowed to us in 1976" and castigating the Government for the most unfair treatment "which we and other importers are receiving."

In enjoying the courtesy of your columns Mr. Koessler should, however, pay your readers the respect of establishing his facts correctly, for the quota which has been imposed on Taiwan was based on Article 3 of the Multi-Fibre Arrangement which specifically provides for exemption from the quota of articles imported for re-export to countries outside the EEC.

The MFA is proving to have its weaknesses and deficiencies, but it is the home-based industry which is suffering as a result of its shortcomings, for the degree of market penetration enjoyed by importers is sufficiently damaging to the national interest as to place textiles and clothing high on the list of those who are now actively seeking selective import controls.

Norman Sussman.
Albany House,
12, Albany Road E.10.

TV and social policy

From the Deputy Director, Nuffield Centre for Health, Service Studies, University of Leeds.

Sir,—May I add a further expression of appreciation to that of Dr. Draper (November 10) for your reviewer's assessment of "Tonight's" programmes on the NHS. I am sure too that Draper is right to draw attention to TV's more conscious efforts in the past year or so to open up the debate on social policy issues. A very good illustration of this was provided by Professor Fletcher's programme (November 6), "The Changing Face of Medicine." Through his use in that programme of material from the original "Your Life in Their Hands" series, we can now see the transition from an innocent optimism for high technology to the new questioning of medical progress with a more sensitive and realistic calculation of costs and benefits.

In Fletcher's programme, we had a careful exposition of the limitations as well as the possibilities of medical research and practice. In the "Tonight" series, we saw too often a stale reworking of old arguments dressed with a veneer of topicality provided by the news stories on pay beds and strike threats. Was the objective to present hard news stories or to educate the public through constructive debate?

The most interesting, potentially illuminating and frustratingly brief interviews were with Enoch Powell and Kenneth Robinson. Here were two men, who had been at the centre of health affairs, distilling the lessons of that experience and not concerned to score points. In contrast, the total futility of TV confrontation was demonstrated, one would like to think conclusively, by the awaited climax of the series, when Mrs. Castle was to meet the massed ranks of her adversaries: it served only to demonstrate how easy it is for the accomplished politician, even one so clearly on the defensive, to pick off her opponents, however aggressive their manner.

~~Finally, did the~~ "Tonight" team really expect the mass audience to follow them through the week-long vigil; was this not a case of over-kill? I would be reluctant to accept Draper's view of one evening a week to debate serious issues. Such a mechanistic approach to the public's education would soon be self-defeating. The solution surely is a change of attitude among the broadcasters and their masters whereby they distinguish politically charged news stories from occasions for public education and do not treat the latter as if they were the same as the former. That was the mistake that "Tonight" made. If the lesson has been learned by our broadcasters, it will have been a mistake worth making: if they have not, we can only hope that Annan has.

Keith Barnard.
University of Leeds,
Clarendon Road, Leeds.

Infallibility of monopoly

From Mr. B Campion.

Sir,—Mr. Marsh reveals that only 55,000 passengers would want to travel by rail (if there were any trains) on Boxing Day, and Post Office clairvoyants have long been contending that "nobody wants" services on Saturdays, Bank Holidays, etc. Doubtless this prophetic infallibility will soon be assumed by spokesmen from other "publicly owned" services which enjoy a legally protected monopoly of the benefits they allegedly provide. We will be astonished to learn how many things we can do without—especially when their provision obliges these dedicated servants to toil in "unsocial hours."

I wonder how many private enterprises or self-employed capitalists could afford to keep increasing their prices while brazenly telling the customer he must make do with less and less of their goods and services?

Bernard Campion,
34, Treveneague Gardens,
Manadon, Plymouth, Devon.

No taxes are necessary

From Mr T. G. Arthur.

Sir,—While I certainly support the suggestion of Mr. B. A. Cole (November 12) that corporation tax should be abolished, I would like to take up his contention that two taxes, income-tax and VAT, are "necessary."

In the first place no *conventional* taxes at all are "necessary," even with substantial Government expenditure—the Government can print its own revenue, which it is doing increasingly. Printing money is really a *tax*, albeit a particularly haphazard and underhand one, because it is the compulsory pre-empting of private resources by Government (via reduction of private purchasing power). This is why Mr. Gardiner (November 11) is wrong in suggesting that taxation and public expenditure are different. A reduction of public expenditure is a reduction of taxation, per se, and if this reduction is passed on to the private sector by way of the Government reducing its money creation, the result may well be more stimulatory than cutting National Insurance contributions or other conventional taxes.

The second point is that the overall effect on individuals of a particular tax is by no means immediately clear. The true bearers of an expenditure tax, in fact, are not the spenders but rather the original factors of production, including wage earners. The picture cannot be complete without knowing how the Government spends the tax, but broadly speaking a general sales tax is actually a haphazard form of *income* tax, hitting savings and investment more heavily than consumption.

If the process is fully analysed, it is usually the case that distortions and hardships are caused more by the *volume* of Government revenue and expenditure rather than by the particular methods by which the revenue is raised. Certainly, let us simplify the system; certainly, most, if not all, taxes could be eliminated. But more importantly, let Government reduce its pre-emption of resources and their expenditure. Most, if not all, of this could be eliminated also, and the benefits would by no means be confined to those "able to pay."

T. G. Arthur.
3, Yateley Road,
Edgbaston, Birmingham 15.

Responsibility for children

From Mr. T. O'Brien.

Sir,—The article by Michael Dixon on the William Tyndale inquiry (November 8) deserves to be compulsory reading for every primary school headmaster in the country. Here in West Sussex the Education Committee is considering a report by some of its members about primary education within its authority, and their suggestion that they feel a responsibility to ensure that children obtain the operational skills of reading, writing, and numbering has had a quite hysterical reaction from some who see their positions or ideas under scrutiny.

For what is in fact being examined is the absolute power vested in headmasters. The question, in practice, is this: should it be the heads of primary schools who alone decide what education our children shall have, or should the elected representatives of the people—who include class-teachers as well as parents—also have a say in the matter? That is what is really under consideration by the William Tyndale inquiry, and in the document to come before the West Sussex Education Committee. It is, as Michael Dixon declared, a question of national importance and it is to be hoped that the unions will consider it with quiet impartiality before hurling themselves at what some of their own members such as myself might consider not the enemy but a relief force.

T. P. O'Brien.
Innisfree,
Seal Square,
Selsey, Chichester,
Sussex.

A question of excess

From Mr. R. Howard

Sir,—When does a profit become excess and is the distinction one of degree or of kind?

Robin A. Howard.
1, Temple Gardens,
Middle Temple Lane, E.C.4.

To-day's Events

GENERAL

President Nyerere of Tanzania arrives for three-day State visit and will be guest-of-honour at Buckingham Palace banquet.

OPEC Oil Ministers meet, Geneva, preparatory to Paris conference opening on December 16.

Mr. Einar Agustsson, Icelandic Foreign Minister, arrives in Bonn and is expected to conclude new fishing agreement with West Germany.

Mr. Anthony Wedgwood Benn, Energy Secretary, chairs meeting of his Department's nuclear energy committee, London.

Ballot results expected for certain national and local executive posts in Amalgamated Union of Engineering Workers.

Mr. Peter Shore, Trade Secretary, speaks at Anglo-Israel Chamber of Commerce dinner, Royal Lancaster Hotel, W.2.

CBI State Intervention Committee meets, London.

Tripartite conference of EEC Ministers of Social Affairs with both sides of industry, Brussels.

EEC conference on patents, Luxembourg.

OFFICIAL STATISTICS

Building society house prices and mortgage advances (third quarter).

COMPANY RESULTS

British and Commonwealth Shipping (half-year).
Charter Consolidated (half-year).
C.E. Heath (half-year).
London and Northern Group (half-year).
Powell Duffryn (half-year).
Royal Insurance (third quarter).
Young's and Co's Brewery (half-year).

COMPANY MEETINGS

Amalgamated Investment and Property, Dorchester Hotel, W., 10.30.
Centre Hotels (Cranston), West Centre Hotel, S.W., 11.00.
Consolidated Gold Fields, 20, Aldermanbury, E.C., 11.30.
Dover Engineering Group, 5, Belgrave Square, S.W., 12.00.
Footwear Industries, Winchester House, E.C., 12.00.
Rediffusion Television, Stratton House, W., 10.30.

EXHIBITIONS

International Building and Construction Exhibition, Olympia.
Home Improvements and Leisuretime Exhibition, City Hall, Manchester.
Exhibition of Environmental Design at St. Katharine-by-Tower, Design Centre, 28, Haymarket, S.W.1.

OPERA

Royal Opera production of Carmen, Covent Garden, W.C.2, 7 p.m.

MUSIC

David Watkins gives recital of Spanish music for harp by Cabezón, Ruiz De Ribayaz, etc., Purcell Room, S.E.1, 7.30 p.m.

COMPANY NEWS + COMMENT

AB Foods' exceptional year of growth

ON A 16 per cent. increase in sales to £580m., profits of Associated British Foods jumped by 37 per cent. to £25.6m. in the six months ended September 27, 1975; and for the full year "exceptional profit growth" is envisaged.

Chairman Mr. Garry Weston reports that in the U.K. the manufacturing and retail results were very satisfactory, particularly the contributions by Fine Fare and the biscuit companies.

It was, however, the major turn round in results achieved in Australia and by the U.K. bakery division which contributed so substantially to the figures. In the first half of 1974-75, both divisions had made negligible contributions due to the severe effects of price control; since that time their operating margins have been partially restored, says the chairman. In South Africa, increased exports, as well as productivity improvements raised profits by 27 per cent., although in sterling terms, this was partially offset by the Rand devaluation.

In addition to the better results, there has been a substantial improvement in the U.K. liquidity position which is reflected in a reduction of £1.1m. interest charges. This liquidity improvement, supported by some restoration of margins, has enabled the company to review afresh its capital expenditure programme. The group's forward capital commitments have now been increased to a level some 40 per cent. higher than in the same period last year, states Mr. Weston.

He tells members that while there may be some difficulty in maintaining the current level of margins in the second half, given reasonable trading conditions, "we are confident that the group can maintain its momentum and will record a year of exceptional profit growth combined with a renewed commitment to a high level of capital investment."

The interim dividend is raised by the permitted annual maximum—from 0.5381p to 0.5935p. For 1974-75 a total of 1.5888p was paid from profits of £43.3m.

	Six months 1975 £000	1974 £000
Sales	580,000	501,000
Trading surplus	40,300	33,300
Depreciation	9,000	9,100
Profit	30,300	24,500
Interest charges	4,700	5,800
Profit before tax	25,600	18,700
U.K. tax	7,000	3,200
Overseas tax	4,300	5,500
Net profit	13,700	10,000
Minorities	2,900	2,300
Attributable	10,800	7,710
Extraord. debits	600	400
Preference dividends	20	20
Ordinary	1,854	1,607

Statement, Page 28

See Lex

INDEX TO COMPANY HIGHLIGHTS

Godfrey Davis recovery

CAR HIRE specialists and Ford main dealers Godfrey Davis reports an improvement in pre-tax profits from £1.06m. to £1.25m. for the six months to September 30, 1975, already exceeding the £1.18m. for the whole of last year.

The interim dividend is held at 0.7p net per 25p share. Last year's total was 2.721756p.

	Half year 1975 £000	1974 £000	Year 1974-75 £000
Group turnover	24,036	20,731	40,553
Profit before tax	1,246	1,057	1,178
Tax	707	570	779
Net profit	539	487	399
Minority losses	7	7	36
Available	546	494	435
Pref. div.	9	9	18
Ord. div.	85	85	229
Retained	452	400	188

Chairman, Mr. C. A. Redfern says that notwithstanding the difficult trading conditions experienced so far this year, Results for the first six months show an increase in demand for the company's services and products.

The optimism that he expressed in his annual report, that the motor car manufacturers would reduce the rate of price increases has, to date, been correct. However, other costs, coupled with the high rate of interest on borrowed money, are still a constant problem, he adds.

Although car hire activities in Germany and Spain are still operating at a loss, the half year's results showed a marked improvement on the corresponding period for 1974.

Proposals for the repayment of the 6½ per cent. redeemable cumulative preference shares have been approved and in due course will be submitted to the High Court for confirmation.

● comment

The good summer seems to have played a vital role in Godfrey Davis's first-half pre-tax gain of 18 per cent.; the hot weather boosted the rental side, where profits were some 23 per cent. higher, while at the same time the leisure activities, in particular the Torbay Chalet Hotels, experienced a record period with an overall gain of about 30 per cent. Distribution marked time but the main problem has been one of finance, with interest charges some £200,000 higher than last year. The escalation in new car prices has indeed given cause for concern and, although this is reflected in the prices obtained for its second-hand cars, GD needs more settled conditions if it is to solve its borrowing problems. The current half is the dormant period, in which the bulk of the car fleet sales take place, but the strong base now generated by the leasing side—an extra 400 to 500 vehicles have been leased out this year—should have some impact. The shares at 42p yield over 10 per cent.

LIFEGUARD

A statement on the future of Lifeguard Assurance—the life assurance company which ceased taking new business a fortnight ago—is expected over the next few days, according to a spokesman for Samuel Montagu, advisers to Lifeguard.

This will be about the raising of new capital to enable the company to continue as a going concern.

Marshall Invs. ahead at halfway

CLOTHIERS Thomas Marshall Investments announces taxable profit up by 10 per cent. to £701,000 for the 26 weeks to September 27, 1975. Turnover increased from £9.13m. to £10.85m. and Mr. T. D. Parr, chairman, anticipates that although trading conditions remain difficult, the figure for the year will be about £20m., against £17.6m.

The net interim dividend is raised from 1.185p to 1.265p—total for 1974-75 was 3.235p from profits of £1.15m.

	26 weeks 1975 £000	1974 £000
Turnover	10,845	9,131
Trading surplus	832	706
Depreciation	79	61
Interest	81	101
Directors' remun.	16	12
Auditors' remun.	14	11
Share of assoc.	79	39
Profit before tax	701	639
Tax	326	311
Minorities	20	15
Attributable	353	320
Pref. dividends	2	2
Available	351	318
Ord. dividend	61	57
Leaving	290	261

● comment

Against a very difficult background in the clothing industry Thomas Marshall's 19 per cent. rise in first-half sales, and its forecast of a 13½ per cent. increase for the full year were well received by the market yesterday and the shares rose 4p to 36p. The group is experiencing heavy pressure on profit margins in the current year—in the first six months these eased from 7 per cent. to 6.5 per cent. at the pre-tax level—and its policy of selling only to six major customers places severe restrictions on its pricing freedom. Conversely though, this policy also offers the group some protection against fluctuating demand trends and sales volume is holding up relatively well. Although Marks and Spencer takes around 40 per cent. of the group's output, Marshall has so far been little affected by the recent M and S cutbacks. Assuming a full-year profit margin of around 6 per cent. pre-tax (compared with 6½ per cent. for 1974-75) current year earnings should cover a maximum dividend, yielding 9.3 per cent., just over three times.

Muirhead tops £1m. for record

FOR THE year to September 30, 1975, taxable profits of electrical and mechanical engineers, Muirhead expanded from £0.81m. to a record £1.1m. after an advance from £410,000 to £431,000 at half-way.

Earnings per 25p share are shown to have risen from 6.7p to 7.7p and the dividend total is stepped up from 2.8265p to 3.0163p with a final payment of 2.4663p net.

	1974-75 £000	1973-74 £000
Group sales	13,072	9,504
U.K. trading profit	1,293	871
Overseas trading profit	49	91
Interest earned	—	12
Interest charges	113	61
Deb. interest	[illegible]	[illegible]
Assoc. losses	17	29
Profit before tax	1,102	810
Tax	[illegible]	[illegible]
Profit after tax	494	[illegible]
Minority	[illegible]	—
Ex-raordinary loss	[illegible]	—
Available	[illegible]	[illegible]
Dividends	179	164
Retained	[illegible]	[illegible]

* Losses.

The directors say that more than 70 per cent. of the group's output went for export.

In the German subsidiary, irregular transactions by an employee of the organisation caused an extraordinary non-trading loss of £36,000. Legal proceedings in respect of these transactions have been taken.

The U.K. trading side made a 48 per cent. increase in profit. Government orders from home and abroad account for nearly 30 per cent. of turnover.

● comment

Virtually all Muirhead's turnover increase has come from exports (both direct and indirect) and, with a higher rate of order completions, second-half sales have jumped by 47 per cent. on trading margins over a point wider at 11 per cent., to leave full-year trading profits 40 per cent. to the good. However, after more than doubled short-term interest charges, a turnround in minorities and extraordinary losses in Germany, the attributable gain is whittled down to 17 per cent. In the current year the trading outlook looks bright. Strong demand continues for facsimile equipment (still the major product) and a marked improvement in rotary component markets means that Vactric may soon justify its £1.4m. acquisition cost in 1972 and subsequent reorganisation expenditure. At 80p, up 5p last night, a p/e of 10 is alive to the current rate of progress.

Ashbourne not supporting director

The Board of Ashbourne Investments, for which Central and Sheerwood has recently made an agreed take-over offer following a long-running and complex bid saga, will not support the re-election of Mr. Brian Simmons as a director at the coming annual meeting.

Mr. Simmons, who was re-appointed to the Board on February 6 1975, having resigned on August 23 1974, was previously a director of Crest International Securities. Crest, whose holding of 12.2 per cent. has been disposed of, formed, with Corporate Guarantee Trust, the consortium which incurred an obligation to make a general bid for Ashbourne following the purchase of a large share stake, but was unable to fulfil its obligation. In September, at an extraordinary meeting of Ashbourne, requisitioned by Mr. L. Casper, Crest's chairman, resolutions proposed to reconstruct the Ashbourne Board were overwhelmingly defeated.

In his annual statement, Ashbourne's chairman, Mr. Kenneth Suggett, says he is sure shareholders will understand why the Board cannot recommend Mr. Simmons' reappointment in view of the latter's "participation in Crest's efforts, albeit unsuccessful, to remove six of your directors at the extraordinary meeting." No comment on the subject was available from Mr. Simmons last night.

Of the current year's trading at Ashbourne, whose shares have been suspended from quotation since April 4 1974, Mr. Suggett says the subsidiaries are trading profitably overall and that the group's interest charges will be reduced following the improvement in liquidity. Net current assets are shown as up from £336,000 to £1.15m., after receipts of £598,000 from the sale of Argentine Southern Land.

Of the outlook, Mr. Suggett says that, subject to repercussions from a sudden intensifying of the recession, they would hope to declare a dividend out of the 1975-76 profits, but that it is too early to quantify any amount to be paid in this way.

Freddie Mansfield

Mr. Francis Sandilands, chairman of Commercial Union Assurance, who yesterday reported a sharp increase in the underwriting loss for the third quarter of 1975, which led to a deficit at the pre-tax level.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
AB Foods	1st int.	0.59	April 3	0.56	—	1.59
Arbuthnot Latham	int.	2.7	Jan. 3	2.69	—	7.61
Ash Spinning	int.	1	Nov. 28	1.5	—	3.63
Bishopsgate Plat.	2nd int.	1.3(c)	—	Nil	—	3.1
Cambrian and General		4.06	Dec. 16	3.69	5.69	5.03
Chamberlain Phipps	int.	0.45	Jan. 5	0.45	—	1.74
Dartmouth Invs.	int.	0.3	Jan. 2	0.17*	—	0.6*
Godfrey Davis	int.	0.7	Jan. 2	0.7	—	2.72
Dimbula Valley		21.2	(d)	Nil	21.2	Nil
F. C. Construction	int.	0.97	Dec. 22	0.89	—	2.63
Grand Central Inv.		0.5	—	0.5	0.5	0.5
T. Marshall Invs.	int.	1.27	—	1.19	—	3.24
Metal Box	int.	3.3	April 1	4.35	—	10.22
Muirhead		2.47	Jan. 22	2.28	3.02	2.83
J. N. Nichols (Vimto)	int.	3.3	Jan. 8	2.0	—	6.3
RCF Holdings		1.36	Jan. 2	1.49	2.44	2.36
Seccombe Marshall	int.	6(a)	Jan. 2	4.57*	—	12.7*
Utd. Engineering	int.	0.91	Dec. 17	0.5	—	2.21(b)

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Increased to reduce disparity with final. (b) For 16 months. (c) South African cents. (d) Payable after funds released from Sri Lanka.

Chamberlain Phipps setback

A SHARP drop in pre-tax profit from £0.86m. to £0.23m. for the six months to September 30, 1975 is announced by Chamberlain Phipps—for the year 1974-75 the figure was £1.28m.

However, Mr. W. R. F. Chamberlain, chairman, says there are now indications of an increased demand from the footwear and automotive industries and there has been an improvement in the company's cash position. Although not wishing to be over-optimistic, he believes that a "reasonable improvement" will be made in the trading results in the second half.

Stated earnings are down from 1.78p to 0.13p per 10p share in the first six months. The net interim payment is being held at 0.448p and absorbs £104,460 with the preference dividend. Last year's total was 1.74096p.

According to Mr. Chamberlain the group's reduced trading profit of £478,506 (£1.15m.) in the first half reflects a period of extremely difficult trading conditions—the worst in the company's experience since the war.

The tax charge of £179,000 (£426,137) appears particularly high in relation to pre-tax profit but is principally due to a loss incurred in Germany against which no tax relief is available. Other costs amounting to £177,499, which are mainly the result of factory closures and other non-recurring losses, have been written-off against extraordinary items.

The chairman states that trading in the company's main activity of supplying materials and components to footwear manufacturers has been very difficult in most countries. Adverse trading conditions also affected the company's other activities, especially so in those connected with the automotive and textile industries and particular problems persisted in Faire Bros. and Co., where a factory and several other departments have been closed. In addition Sunthorn's factory and business in Kent has been sold.

The loss in Germany was partly due to a low volume of orders, but mainly because of problems relating to a large new plant for metallizing paper, some of which have not yet been resolved but action is being taken to do so, he adds.

	Six months 1975 £	1974 £
Group turnover	10,172,326	19,319,531
Trading profit	478,506	1,145,570
Interest payable	259,936	298,713
Share of associates	[illegible]	11,509
Profit before tax	227,269	863,615
Taxation	179,000	426,137
Profit after tax	48,269	437,458
Minorities	14,357	42,116
Extraord. debits	177,499	3,032

● comment

Another downturn from Chamberlain and Phipps was a possibility, considering that half of sales is aimed at the footwear industry, but a 43 per cent. fall in profits against the preceeding six months took the shares 1p lower to 20½p, where they yield 13.3 per cent. Overcapacity at Faire Bros. resulted in a factory closure and this along with other retrenchment moves, has caused the labour force to be reduced by 15 per cent. Stocks, meanwhile, have been clipped by £1m. to £4¾m., and borrowings have been reduced by £1m. to £3¼m., or 54 per cent. of shareholders' funds. Overseas, Canada turned in a weak performance, but the main disappointment was the German operation, where the production development of metallised paper fell behind schedule, and a loss of over £0.1m. was incurred. Nevertheless, with many of the problem areas behind it, and the German losses now under control —CP has been on a recovery tack since the low point of the first quarter — second-half profits should better the comparable period's £412,000.

ISSUE NEWS

AMAL. DISTILLED RIGHTS—94.6%

Amalgamated Distilled Products have received acceptances for 94.6 per cent. of the rights issue to raise £853,000 on the basis of one-for-one at 20p per share. The remaining 176,193 shares have been sold at a premium and the net proceeds will be distributed to shareholders entitled thereto, except that no payment will be made for less than £1.

CAPE INDS.—97%

Cape Industries rights issue to raise £5m. on the basis of one-for-four at 105p each has been taken up as to 97.3 per cent. Shares not taken up, have been sold and the net premium will be distributed to entitled shareholders except that no payment will be made for less than £1.

RESULTS AND ACCOUNTS IN BRIEF

CALEDONIAN ASSOCIATED CINEMAS—Dividend 0.575p net for year to March 27, 1976. Pay December 12.

CEDAR INVESTMENT TRUST—Results, for year to September 30, 1975, reported November 5. Investments £[illegible]m. (£12.89m.), net current assets £1.53m. (£2.61m.). Proceeds of sale of Investment Trust holdings used to increase foreign investments and U.K. stocks with large overseas content. This move has strengthened defensive position but has resulted in reduction of franked investment income and consequent increase in unfranked income says chairman. Meeting, Winchester House, E.C., December 9 at 11.30 a.m.

CITY OF ABERDEEN LAND ASSOCIATION—Final dividend 1.2175p making 1.7425p year ended June 30, 1975 (equivalent 1.64p). Profit £58,150 (£51,525) before tax. Net profit £19,986 (£73,006).

DARTMOUTH INVESTMENTS—Interim dividend 0.3p net per 5p share (equivalent 0.1676p). Turnover half-year ended September 30, 1975 was £1.3m. (£1.5m.). Profit £41,000 (£23,500). Before tax £21,300 (£12,200). Add profit sale of fixed assets £21,700 (nil). Directors state element of loss-making sales turnover eliminated and subject to unforeseen circumstances they remain optimistic that profits for 1975-76 will exceed last year's £240,090. Envisaged paying maximum permitted dividend and subject to unforeseen circumstances a final of 0.537p will be declared.

ESTATES AND AGENCY HOLDINGS—Net rents receivable—£43,867 (£43,564) for first half 1975. Profit £20,096 (£20,617), before tax £10,944 (£11,112). Deduct loss sale of freehold property £3,745 (nil). No dividend (same).

JOKAI TEA HOLDINGS—Results, for year to March 31, 1975, reported November 12. Net current assets £2.7m. (£2.33m.). Chairman says prices for 1975 teas encouragingly higher so far but premature to forecast final results until much greater proportion of crop has been sold. Meeting, 37, Mincing Lane, E.C., December 10 at 11.30 a.m.

MYDDLETON HOTELS—Results for year ended June 30, 1975 reported October 21. Fixed assets £1.46m. (£2.29m.), current assets £0.27m. (£0.26m.), current liabilities £1.34m. (£1.21m.). Chairman reports further improved performance in first four months of current year. Meeting, Coburg Hotel, W., December 8, at noon.

PATANI PARA PLANTATIONS—Results, year ended March 31, 1975, reported November 18. Group fixed assets £116,232 (same). Net current assets £97,940 (£84,687). Chairman says the company will do well to maintain a profit level comparable with last year. Meeting, 19, Leadenhall Street, E.C., December 9, at 11.45 a.m.

House of Fraser slips behind

AFTER reporting advances from £1.44m. to £1.77m. for the first quarter and from £6.18m. to £8.35m. at midway, taxable profits of department stores operators House of Fraser, show a contraction from £9.9m. to £9.63m. for the 39 weeks ended October 25, 1975.

Although trading profits are £0.55m. ahead higher interest and depreciation have taken their toll and resulted in the pre-tax reductions.

Stated earnings per 25p share excluding extraordinary items—which with profits of associates are dealt with only in the year-end accounts—fell from 3.92p to 3.78p.

The interim dividend, as known, is 1.375p (1.25p) net. Last year's total was 3.63375p from profits of £19.59m.

	39 weeks 1975 £	1974 £
Total turnover	254,011,047	209,950,511
Less VAT	17,364,709	14,337,358
Trading profit	14,900,163	14,335,210
Interest	2,784,921	2,241,554
Depreciation	2,486,150	2,128,297
Profit before tax	9,629,096	9,965,359
Tax	5,007,120	5,192,372
Net profit	4,621,966	4,792,986
Pref. dividend	26,885	23,885
Attributable	4,595,081	4,769,073

Following a change in the method of charging depreciation made in the second half of last year and applied for the whole of that year the charge for the 39 weeks to October 26, 1974 has been adjusted accordingly.

See Lex

The interim dividend is lifted from 2.695p to 2.7p net. Last year's total was 7.611p.

The balance sheet of the banking group shows cash, British Government and local authority quoted securities, other loans, etc. £47.88m. at September 30, 1975 against £48.73m. at March 31; other securities £3.77m. (£3.64m.); loans, advances and other accounts £20.25m. (£18.19m.); leasing assets at cost less depreciation £0.88m. (£1.09m.), properties and other assets at cost less mortgages and depreciation £1.35m. (£1.37m.) and liability of customers for acceptances £15.34m. (£15.47m.).

F.C. Const. sees peak year

Taxable profit of F.C. Construction (Holdings) improved from £181,000 to £230,000 in the first half of 1975 and the directors expect results for the year to be better than 1974's peak £353,595.

They describe the halfway figures as "good in present circumstances." Because of the insistence of completion dates and contracts they point out that there is not necessarily any correlation between turnover—virtually unchanged at £1.65m. (£1.63m.)—and profits.

Stated earnings per 25p share are up from 3.35p to 4.85p and the interim dividend is raised from 0.89p to 0.97p net—last year's total was 2.627p.

	Half-year 1975 £	1974 £
Turnover	1,651,000	1,629,899
Net profit	125,000	86,504
Tax	106,000	92,500
Attributable	125,000	85,500
Ordinary dividend	25,005	23,496

RCF earns and pays more

PROFIT, BEFORE tax, of RCF Holdings improved from £0.8m. to £0.9m. during the year to July 31, 1975 after £303,000 (£283,000) in the first half.

Earnings per 25p share for the year are shown to be up from 5.03p to 6.89p and a final dividend of 1.3625p net raises the total from 2.3625p to 2.4375p.

The company makes and distributes hand tools.

	1974-75 £
Trading profit	971,116
Abnormal items	73,500
Profit before tax	904,616
Profit after tax	440,613

● comment

A smart improvement in export sales, which have risen by 70 per cent. in the course of the year, has pushed RCF's pre-tax profits up by nearly a third in the second half of the year (excluding abnormal items relating to overhead reclassification in work in progress) for a 22 per cent. gain overall. The shares rose 2½p to 28p last night on the news. Also of equal note is the company's control of working capital. Stocks accounted for over 100 per cent. of net capital employed at the beginning of the year but against a sales gain of around a fifth, borrowings have shown only a small increase—they amounted to nearly half of shareholders' funds in the last balance sheet. Export sales, equivalent to over a third of the total, are still reaping devaluation benefits and a p/e of 4.1 and a yield of 14.2 per cent. covered 2.6 times, look good value.

Arbuthnot Latham progress

Mr. A. R. C. Arbuthnot, chairman of Arbuthnot Latham Holdings says that the performance of the group for the half year ended September 30, 1975, has been encouraging and the unaudited accounts for the period show "satisfactory progress" in overall profits.

DIMBULA BACK IN PROFIT

After crediting subsidies, pre-tax profit of Dimbula Valley (Ceylon) Tea was £53,157 in the year 1974, compared with a £[illegible] loss in the previous 12 months.

Turnover was up from £0.4m. to £0.57m. Tax took £2,590, against a £5,000 recovery, leaving £50,567 (£4,251 loss).

In 1973 there was a provision of £3,250 for capital levy.

Provision of £4,600 has been made for an Ordinary dividend of 21.2 per cent. (nil) for 1974 which will be declared payable after funds have been released from Sri Lanka.

Winding-up orders

Orders for the compulsory winding-up of 44 companies were made by Mr. Justice Oliver in the High Court yesterday. They were:

Suremark Securities, Key Facts (U.K.), Pennington Export-Import, James Alker (Insurance), Vacos Bakeries, Everardstones, Titford Property Company (Southern), Penn Hammond Publishing Company.

Skyhawk Investments, Shun and Powell Shopfitters, Valiant Enamels, Tranbrook, Sencliff, Leygrove, Mortimer Marketing.

Stratton Catering Company, T. and C. Foley, Plusmore Haulage Company, Shoreham Heating Services, Trenidale Enterprises, JSW Plumbing Company.

Cresta Plant, Stirway, C. J. Ellerby and Son, Anglo German African Trading Company, Bastat Building Systems, Ketwell Industries, Doughty and Reynolds (Builders).

Wildcat (Fashions), Waveney Marine Construction, Waveney Hotel (Norfolk Broads), Crosstree Properties, Wildon Film and Design Services, Lett Brothers (Rushden), Keston Foreign Bird Farm.

MTTB, N. Osman, Trident Shipping, Roben Painting Company, Anglia Employment, Penarth Finance, ATFW, Dykedrive, and McBride and Keating Security Services.

An order made on November 10, for the compulsory winding-up of Blythin Confectionery was rescinded and the petition against the company dismissed.

An order made on November 3, for the compulsory winding-up of Amie Builders was rescinded and the petition against the company adjourned until December 8.

Metal Box off £8m. mid-way

REDUCTION of £7.94m. to 2.01m. in group pre-tax profit reported by Metal Box for the lf year ended September 30, 75, but indications are that there ll be a marked improvement on is in the second half.

The first half fall was split as 31 per cent. by home comnies and 53 per cent. by those erseas.

The results at home reflected a duction in the volume of mand, including significant deocking by customers. Overseas, nere volume of demand also s down, was particularly ected by serious labour troubles India (now resolved) and very ficult economic conditions in ly, the directors explain.

There has recently been an inase in activity at home and in me overseas countries. If, as Board expects, this is mainned, combined profit before tax the second half-year will show "marked improvement" over first half.

The interim dividend is stepped from 4.3529p to 5.3p net on ital increased by the £11½m. hts issue in June. The higher erim reflects the intention, exssed at the time of the issue, pay a total of 12.1p, which at gross level would represent increase of about 20 per cent. net total for 1974-75 was 217p, paid from profits of 8m.

Also, to preserve the right to off against future profits subntial ACT, which otherwise ld be irrecoverable, it has been ided to postpone payment of interim from the customary uary date to April 1, 1976, but compensate holders for this payment by paying at the rim stage a higher than mal proportion of the total.

	Half-year 1975 £000	1974 £000
erseas	83,411	80,734
me	163,250	143,570
1	246,661	224,304
it before tax:		
me	8,200	11,828
erseas	3,810	8,180
1	12,010	19,958
	5,810	10,310
profit	6,100	9,640
rities	785	1,410
ibutable	5,316	8,230

For the half-year to September, 5, overseas currencies have n converted at the mid-market s of exchange at September 1975; for the 1974 half-year, have been converted at the used in the accounts for the r to March, 1975.

As a result of the devaluation the South African rand, the th African subsidiary incurred possible additional liability on foreign currency loans the ount of which atributable to parent is £1m. Any necessary ustment will be made in the accounts for the full year on the basis of the exchange rates actually ruling at that date.

Expenditure on fixed assets during the half-year was £11.4m. of which £4.3m. was spent overseas.

See Lex

J. N. Nichols profit well ahead

A BOOST from exports has pushed up profits of J. N. Nichols (Vimto). In the half year ended September 30, 1975, they are £204,454, against £52,219 in the corresponding period and £160,000 for the whole of 1974-75.

Second half figures will not show a similar sort of increase over the same period last time, but the directors are confident that the full year will prove most satisfactory.

While there was an increase in home trade sales in the first six months, the main rise in profits has come from the exports division where turnover shot up by 90 per cent.

The interim is increased from 2p to 3.5p per 25p share; the 1974-75 final was 4.5p.

Company products include fruit compounds, essences, squashes and cordials.

Progress at United Engineering

United Engineering Industries has turned in profits of £180,000 for the half year ended July 31, 1975, against £165,000 in the period to March 31, 1974.

In view of the satisfactory position, the dividend will be raised by the maximum allowed and payable approximately in two equal amounts. Therefore, an interim of 0.91p net per 10p share has been declared; for the 16 months ended March 31, 1974 total payment was 2.2066p.

	First half 1975 £000	1974 £000
Turnover	4,200	3,734
Engineering	909	726
Motor	3,132	2,510
Plant hire	*168	498
Profit	311	298
Engineering	197	163
Motor	138	113
Plant hire loss	*24	†10
Holding expenses	109	102
Loan stock interest	31	31
Profit before tax	180	165
Taxation	94	81
Exceptional credits	21	17

* For two months to mid-March. † Profit.

Underwriting setback leads CU to third-quarter loss

REFLECTING A sharp increase in underwriting losses—up from £8.4m. to over £21m.—Commercial Union Assurance Company has run into a pre-tax loss of £0.7m. in the third quarter of 1975 compared with a profit of £8.5m. for the same 1974 period.

The third quarter underwriting loss brings the total for the first nine months up to £48.7m., compared with £11.1m., with the pre-tax profit for that period emerging £19.4m. lower at £13.7m. Investment income shows an increase from £55.2m. to £74.7m.

Members are told that the deterioration in the U.S. evident in the second quarter has continued and the statutory operating ratio has increased from 108.9 per cent. at six-months to 110.4 per cent. (102.7 per cent.).

The group has already received rate increases in a number of States and the frequency of applications for increases is being accelerated. The underwriting review and upgrading of the business is continuing and further measures to reduce exposure to unprofitable business are being developed.

Third quarter results in Australia—where a major pruning operation is under way—show an improvement, but the directors say it is too early to be confident of the continuing effects of the action taken, because of uncertain political and economic conditions there.

In the U.K. underwriting profits continue to be satisfactory, in Canada results are improving, while in Western Europe they show some deterioration. In the rest of the world there are mixed results.

In marine business results are unprofitable, but if the trend towards a hardening of rates continues prospects for this class should improve next year.

Net profits come through at £8.4m. (£19.1m.), with stated earnings per 25p share falling from 8.57p to 2.69p.

An interim dividend of 2.525p net has already been declared (2.603p)—for 1974 a total of 6.845p was paid from pre-tax profits of £50.1m.

	Nine months 1975 £m.	1974 £m.
Premiums	693.3	562.6
Underwriting loss	48.7	11.1
Investment income	74.7	55.2
Life profits	2.5	2.2
Share associates loss	1.8	*0.9
Trading profit	26.7	47.3
Loan interest & minorities	16.0	14.2
Profit before tax	13.7	33.1
Taxation	5.3	14.0
Net profit	8.4	19.1

* Profit.

Statement, Page 28

See Lex

Progress for Tyzack & Turner

Provided the present recession does not move into areas in which W. Tyzack Sons and Turner operates, chairman Mr. T. H. Reed says he is not unduly pessimistic and looks forward to reporting further progress for the current year.

Continued expansion has eroded the order book but it is at a satisfactory level at present. Overseas visits by executives indicate that while growth is achievable orders will be more difficult to obtain than has been the case over the past two years, says the chairman.

Also shortage of skilled management is making it difficult to build for future growth, he adds.

As reported November 6 pretax profit of the group—manufacturers of agricultural machine parts, light engineering products etc.—increased from £296,009 to £400,254 in the year ended August 1, 1975.

During the year there was some reduction in demand from the automotive industry but this has been more than offset by increased demand from the agricultural industry particularly in Canada and the U.S.

Exports accounted for some 28.3 per cent. of turnover and the wide geographical spread will ensure a good basis for future growth.

Despite the cost of financing the additional growth the overdraft has been contained after repaying the final instalment of the loan of £30,000 to ICFC, and after the payment in respect of the James purchase.

In addition to the normal policy of providing against specific debts, a general provision has been created against bad and doubtful debts of 2½ per cent. of the total amount of debtors.

Meeting, Sheffield, December 10 at noon.

Improvement for Grand Central Inv.

Turnover of Grand Central Investment Holdings was £2.71m. for the year 1974, compared with £1.84m., and profit was up from £222,101 to £363,549 before tax of £179,321, against £156,735.

Stated earnings per 10p share are ahead from 0.7p to 0.9975p and the dividend is 0.5p net (same). Payment has been waived on 11.06m. shares.

The company has estates of rubber, tea and oil palms in Sri Lanka.

RECENT ISSUES

EQUITIES

Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or −	Div. Amount	Times covered	Gross Yield	P/E Ratio
F.P.	—	169	117	Corn Exchange	117	......	b1.68	2.5	2.6	—
F.P.	7/11	380	300	Standard Q'd Min'g 20c	300	−25	—	—	—	—

FIXED INTEREST STOCKS

Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price	+ or −
£10	30/1	10	9⅝	Bristol (City of) 13¾% Deb. Stk. 1981	9⅝	−⅛
£30	11/2	30¼	29⅛	Coventry (City of) 13½% Red. Stock. 1980	29¼	......
F.P.	15/10	126½	113	Haslemere Est. 9½% '90-5	122	......
£50	9/1	51½	49⅞	Islington 13½% Red. Stk. 1980	51	......
£50	9/1	49¾	47½	Do. 14% Red. Stk. 1985/6	47¼	......
F.P.	26/11	100	98¾	Lee Valley Water 9% Red. Pref. 1980	99½	−½
F.P.	—	100	98½	Midland Bank Float Cap Notes '82	100	......
F.P.	—	98	98	Noranda 9¾% Notes 1980	$C.98	......
F.P.	—	102	102	Do.	$US.102	+¾
£25	25/1	27⅜	25	Norcros 15¼% Deb. 1990/95	27¾	+½
F.P.	17/11	50¼p	45p	Single 10% Cum. Conv. Pref.	45p	−5¼
F.P.	26/11	120	100	Spirella 14% Conv. 1990	112	......
F.P.	—	98	98	Trans Union Pin Can 10⅜% notes 1980	$C.98	......
F.P.	31/10	99½	98	York Waterworks 9% Red. Pref. 1980	98	−½

"RIGHTS" OFFERS

Amount Paid up	Latest Renunc. Dates †	‡	1975 High	1975 Low	Stock	Closing Price p***	+ or −
F.P.	—	—	35½	30	Amal. Distilled Products	31	......
F.P.	28/10	25/11	72	62	Babcock & Wilcox	72	+2
Nil	—	—	27	20	Berry Wiggins	25pm	......
F.P.	—	—	146	125	Cape Inds.	137	+3
Nil	—	—	12½	10	Charles (David)	11½pm	......
Nil	—	—	31½	24	Debenhams	30pm	+2
F.P.	30/10	28/11	73½	60	Grand Met. Hotels	73½	+2½
Nil	—	—	212½	161½	Harrisons & Crosfields	162pm	......
F.P.	28/10	12/12	385	330	I.C. Gas	385	+8
Nil	—	—	34	30	Ibstock Johnsen	34pm	......
F.P.	—	—	129	125	Kwik-Save Discount	129	......
Nil	—	—	102	82	Minet Holdings	102pm	+6
F.P.	30/10	9/12	80	56	Northern Foods	72	+2
F.P.	3/11	3/12	29¾	25	Peacock Saalat	28	......
Nil	24/11	30/1	29	23	Raybeck	29pm	+1½
Nil	—	—	3	3	Trust Bank Africa	3pm	......
Nil	19/11	19/12	24	10½	Weir Group	21½pm	−½

Renunciation date usually last day for dealing free of stamp duty. a Figures to public. b Figures based on prospectus estimate. d Dividend rate paid or ble on part capital, cover based on dividend on full capital. p*** Pence s otherwise indicated. s Forecast dividend: cover based on previous year's ings. T Figures assumed. ‡ Cover allows for conversion of shares not now ing for dividends or ranking only for restricted dividends. ** Issued by tender. fered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ‡ Rights ay of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in ection with reorganisation, merger or take-over. ♣ Introduction. ◆ Issued to er Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or y-paid allotment letters. $ With warrants.

A 2200 cubic foot capacity charging basket, designed and manufactured by Newton Chambers Engineering, Sheffield, discharging scrap in an electric arc furnace.

Confidence at Beaverbrook

REFLECTING RIGID economies and cost controls Beaverbrook Newspapers cut its operating expenses, other than newsprint and ink, by almost £1m in 1974-75.

Further reductions in manning were agreed with the unions; and as a result the weekly average number of employees was 15 per cent. below the previous year. Voluntary redundancy payments cost nearly £1m. in the year.

Despite the difficulties involved in reaching agreement over manning and the hazards of manning and running-in new plant under production conditions, the best record for continuous production in recent years was achieved, state the directors.

The chairman, Sir Max Aitken, says that a high measure of confidence is retained for the future.

CC

Total revenue in 1974-75 rose by almost £7.5m. and this was represented by an increase in circulation revenue of some £11m. and a decrease of about £3½m. in advertising revenue.

The chairman points out that any improvement in the national economy would lead to an upturn in advertising revenues, and, apart from the effect on profits, this would enable a slowing down of the rate of cover price increases, which must adversely affect circulation.

As reported November 7 there was a turnround from a loss of £1.35m. to a profit of £3.23m. in the year ended June 30, 1975.

Both the major building operations at Aitken House, and Tollgate House, Bristol are due for completion in December. This will ease the future cash flow position.

Referring to the Scottish Daily News the directors state that provision has been made for any potential loss arising on the £300,000 unsecured loan and the £141,075 investment in the Ordinary shares.

During the year payments of £73,500 (£35,000) were made to former Beaverbrook directors.

Sharp drop for Consd. Plantations

After replanting expenditure of £381,000, compared with £355,000, first-quarter pre-tax profit to September 30, 1975, of Consolidated Plantations dropped sharply from £4.07m. to £2.57m.

In his annual statement last month the chairman, Mr. K. N. Eales said higher costs and production restrictions made it difficult to foresee how last year's record performance—pre-tax profit totalled £12.53m.—could be repeated this year.

Dividend total for last year was 30 per cent. gross.

Seccombe Marshall earnings

Seccombe Marshall and Campion announces that earnings in the first half of the year to April 30, 1976 have been "satisfactory" although smaller than in the equivalent period last year.

The interim dividend is increased to 6p net per £1 share compared with an adjusted 4.563p to reduce the disparity between the interim and final dividends. Last year's total was equivalent to 12.7p.

INTERIM STATEMENT

Commercial Union

Assurance Company Limited

The Board announces estimated and unaudited profits for the 9 months to 30th September 1975 of £8.4m. (£19.1m.) after providing for taxation.

	9 months to 30 Sept. 1975 (Estimate)	9 months to 30 Sept. 1974 (Estimate)	Year 1974 (Actual)
	£m.	£m.	£m.
Net Written Premiums Fire, Accident & Marine	692.3	562.6	766.4
Underwriting Fire, Accident & Marine	(−)46.7	(−)11.1	(−)15.4
Investment Income	74.7	55.2	80.7
Life Profits	3.5	2.3	3.1
Share of Associated Company's Earnings	(−)1.8	.9	.8
Trading Profit	29.7	47.3	69.2
Loan Interest & Minorities	16.0	14.2	19.1
PROFIT BEFORE TAXATION	13.7	33.1	50.1
Taxation	5.3	14.0	21.4
PROFIT AFTER TAXATION	8.4	19.1	28.7
Earnings per Share	2.69p	8.57p	12.26p
Net Assets attributable to Shareholders	£271.1m.	£168.0m.	£222.2m.

As usual, the results of the Company's overseas operations have been converted at rates of exchange ruling at the close of the periods reported above.

Investment income has continued to show a substantial increase over last year but trading profits are still depressed by underwriting losses, particularly in the United States and Australia.

In the United Kingdom underwriting profits continue to be satisfactory.

The deterioration in the United States that was evident in the second quarter has continued unabated and the statutory operating ratio has increased from 108.9% at 6 months to 110.4% (1974 102.7%). The adverse conditions in the industry persist. These include high court awards, increasing auto repair costs and inflation. We have already received rate increases in a number of States and we are accelerating the frequency of applications for increases in the States where they are still required and where prior approval is necessary. We are, however, faced with reluctance on the part of some State Insurance Departments to grant adequate increases. The underwriting review and upgrading of our business is continuing and further measures to reduce our exposure to unprofitable business are being actively developed.

In Australia a major curtailment of our operation is in progress, full details of which were publicised during September. The results for the quarter ended 30th September 1975 show an improvement but it is too early to be confident of the continuing effect of the action taken, in view of the uncertain political and economic conditions there.

The results in Western Europe show some deterioration. This is particularly noticeable in Germany where in common with several other continental countries, motor results continue to be unprofitable.

In Canada, where substantial rate increases have been obtained, results are improving.

In the remainder of the world there are mixed results. *There is deterioration in South Africa because* of increased competition following several profitable years.

Unprofitable results in Marine reflect the severe competition and rate cutting which has persisted in the *market over the last two years. There is now some movement* towards a hardening of rates, which, if continued, should improve prospects in this class in 1976.

7¾% Unsecured Loan Stock 1988/93

The proposal to redeem this Loan Stock amounting to £22.8m. was approved by over 90 per cent. of the votes cast by stockholders and accordingly the Loan Stock was repaid on the 24th October 1975.

Publication of 1975 Results

Our preliminary results for the year 1975 will be published on the 5th April 1976 and the Report and Accounts will be posted to shareholders on the 15th April 1976.

Insure with Commercial Union Assurance

Hunt & Moscrop well placed for upturn

The chairman of Hunt and Moscrop (Middleton), Mr. E. W. Hunt, is confident that the enlarged capacity of the group will enable it to take advantage of an increase in business coinciding with trading cycles.

He looks forward to the predicted upturn in activity, perhaps beginning in certain industries in 1976 and the group "will be very quick to take advantage of such opportunities as and when they arise."

Currently the demand for heat exchange products remains "strong." There are however short-term lulls in the demand for paper and textile machinery and possibly effluent plant but order books in these various subsidiaries still remain reasonable, he tells holders in his annual statement.

The group now has a sound and profitable company in Canada which the directors will consider expanding as suitable opportunities arise. The group export business, while less in percentage, continues to increase in volume and the financial state of the group "is stronger than ever before."

As known, taxable profit increased by 52 per cent. to £0.73m. during the year ended June 30, 1975. Dividends total 0.5233061p net (0.494645p) and a one-for-four scrip is proposed.

According to Mr. Hunt, the 120 per cent. increase in turnover to £11.08m. reflects a "substantial" contribution from the newly acquired, although loss-making, subsidiary, Hunt-West.

The balance-sheet at June 30, 1975 shows the group to be "in a strong position and well able to finance its current capital expenditure programme." During the past 12 months the group acquired Wests (Manchester) from the WGI Group for £294,000 cash, completed its largest ever yearly capital expenditure programme, financed 120 per cent. increase in turnover and built a new factory in Canada with the help of funds from the Canadian Government.

Even though the group net bank overdraft of £200,000 at the end of June 1975 was quite minimal when compared with the group's borrowing facilities, it has now been substantially reduced by the positive cash flow in the first quarter of the current year, he adds.

A recent professional valuation of buildings and plant reveals a £1.35m. surplus over book value and this has been charged entirely to depreciation.

Chairman's statement, Page 27

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below is based mainly on last year's timetable.

TO-DAY

Interims—British and Commonwealth Shipping, Caledonia Investments, E. Chalmers, Charter Consolidated, GEI International, C. E. Heath, Hovertngham Group, London and Northern, Northern Securities Trust, Oxley Printing, Powell Duffryn, Rexmore, Rowlinson Constructions, Time Products, Unerman Holdings, Young and Co.'s Brewery.

Finals—John Carr (Doncaster), Comet Radiovision Services, Long and Hambly, Malayan Tin Dredging, Northern American Trust, Scottish Cities Investment Trust, Sheaf Steam Shipping, Southern Malayan Tin Dredging, Stockholders Investment Trust, Yorkshire and Lancashire Investment Trust.

FUTURE DATES

Interims—	
Amalgamated Industrial	Nov. 20
Buckley's Brewery	Dec. 4
Electric and General Investment	Dec. 16
Evans of Leeds	Nov. 21
Reed (William)	Nov. 25
Tesco Stores	Nov. 25
West Forth Investment Trust	Nov. 20
Finals—	
Akroyd and Smithers	Nov. 23
Australia and New Zealand Banking	Dec. 1

* Amended.

International Moneymanager

A new scheme has been launched by Schlesinger Trust Managers hinging on the "appointed day" for new qualifying conditions for life policies which is expected before next April. Called the International Moneymanager it is basically a 10-year *investment scheme combining the* PIMS investment management service via unit trusts with a qualifying life assurance policy.

Schlesinger suggests that an investment in the PIMS service, put aside in the International Growth Fund trust or another of its funds for 10 years or more, should be gradually transferred by fixed annual premiums into a life assurance fund—the Trident International Moneymanager (TIM)—which is in turn invested in international units.

The advantages over a straightforward investment in unit trusts include life assurance tax relief under the 1975 Finance Act; a sum which is free of all personal taxes at the end of the period; a cash withdrawal flexibility; and the fact that for the high rate taxpayer, income is accumulated within the insurance fund after deduction of only 37½ per cent.

Viners goes ahead

In spite of the generally adverse economic climate, pre-tax profit of Viners, manufacturers of cutlery and tableware, improved from £217,000 to £220,000 on turnover up from £3,288,000 to £4,353,000 in the 28 weeks to July 11, 1975.

Chairman Mr. R. Viner says it is "extremely difficult" to forecast with any degree of accuracy the end-of-year results as while the order book shows some increase over that of 12 months ago, rising costs and adverse conditions must have an effect.

The interim dividend per 10p share is stepped up from 0.3957p to 0.4233p net. Last year's total was 1.0600p from record profits of £750,868.

London and Provincial Shop outlook

With a substantial portfolio of first-class office and shop properties let to major companies, and increasing profits from rental income, London and Provincial Shop Centres (Holdings) can, if necessary, await the return of a more propitious economic and political era before creating any further major investments in the U.K., states Mr. T. B. Mitcheson, chairman.

Nevertheless the company is ready to play its part in assisting growth of much needed investment but the introduction of the Community Land Bill "suggests there is little sign of Government playing its part in helping investment in the property world."

As known, the company incurred a deficit before tax of £0.26m. (£0.29m.) during the year ended June 24, 1975. Dividend total is 0.9009p net, the maximum allowed.

Mr. Mitcheson estimates that, based on current rental values, the group's net rental income as a result of rent reviews will rise between 1975 and 1986 by £0.55m. per annum. Between 1976 and 1980 the increases should *amount to £0.28m. and between* 1981 and 1986 to £0.57m. per annum.

Borrowings at June 24, 1975—representing 43 per cent. of fixed assets—are split as to: long term 22 per cent., medium term 16 per cent. and short term 5 per cent. Future developments will be funded on a medium term basis.

Net assets amount to £9.13m. or 127p per share, without tax adjustment which may become payable in the event of the investment properties being sold.

Chairman's statement, Page 26

Edge Tool downturn

Despite a rise in turnover from £1.74m. to £2.33m., profits of Edge Tool Industries for the half year ended September 27, 1975 have fallen £87,000 to £225,000.

After tax £97,000 (£130,000) and minorities £3,000 (£9,000), net attributable balance came out at £125,000 (£173,000).

The company, a subsidiary of EVA Industries, makes hoes, jigs and tools, and agricultural implements. In the year ended March 31, 1975 profit was £727,000.

World Value of the Pound

The table below gives the latest available *rates of exchange for the pound against various* currencies on November 17, 1975. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from the market rates of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territory; (k) Scheduled Territory; (o) official rate; (F) free rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not available; (A) approximate rate no direct quotation available; (sg) selling rate; (bg) buying rate; (nom.) nominal; (ex/c) exchange certificate rate; (P) based on U.S. dollar parities and going sterling-dollar rate; (Bk) bankers' rate; (Bas) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

Place and Local Unit	Value of £ Sterling	Place and Local Unit	Value of £ Sterling	Place and Local Unit	Value of £ Sterling
Afars & Issas Djibouti Franc	340(sg)	Germany West Deutschemark	5.22	Paraguay Guarani	254.21
Afghan'tan Afghani	122(A)	Ghana (S) Cedi	2.35	P'pl's D. Rp. of Yemen (S) S. Yemen Dinar	(A)0.70
Albania Lek	(T)23.25(A)	Gibraltar (K) Gibraltar £	1.00	Peru Sol	ex/cA91.86
Algeria Dinar	(A)8.05(sg)	Gilbert & Ellice Is.(S) Aust. Dollar	1.6115		(A)91.86
Andorra French Franc	9.03¼	Greece Drachma	71.3020	Philippines Ph. Peso	15.58
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

• That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa.
•• Rupees per pound. Tourists visiting Sri Lanka receive a premium of 50 per cent.
[illegible]
• The Ouguiya has replaced the CFA franc. [illegible]
General rate: oil and iron exports [illegible].

JOINT COMPANY ANNOUNCEMENT

THE VEREENIGING ESTATES LIMITED ("VE")
AMALGAMATED COLLIERIES OF SOUTH AFRICA LIMITED ("Amalgamated")
ANGLO POWER COLLIERIES (PROPRIETARY) LIMITED ("Anglo Power")
BLESBOK COLLIERY LIMITED ("Blesbok")
THE CORONATION COLLIERIES LIMITED ("Coronation")
NEW LARGO COLLIERY LIMITED ("New Largo")
SOUTH AFRICAN COAL ESTATES (WITBANK) LIMITED ("SACE")
TRANSVAAL COAL CORPORATION LIMITED ("TCC")
(All incorporated in the Republic of South Africa)

PROPOSED FORMATION OF
ANGLO AMERICAN COAL CORPORATION LIMITED (Amcoal)

The boards of the above mentioned companies announce that full particulars relating to the proposed enlargement and consolidation of the coal interests of VE, including detailed Scheme of Arrangement documents, were posted to all shareholders concerned on 17th November 1975. Notices of Court and General meetings of the Scheme Companies concerned, to be held on 11th December, 1975, were given in these documents.

Shareholders of the Scheme Companies are reminded that it is proposed to implement the various Schemes of Arrangement on the following bases:—

Scheme Company	No. of Amcoal shares of 50 cents each	No. of shares held in Scheme Company
Amalgamated	90	100
Blesbok	20	100
Coronation	70	100
New Largo	20	100
SACE	275	100

The following extract from the detailed explanatory statement posted to shareholders, summarizes the effects of the proposed merger on individual shareholders' market values, dividends and earnings:

Effects on Shareholders' Market Values

Based on the market prices on the Johannesburg Stock Exchange of listed Scheme Companies shares on 25th September 1975 (the day before the publication of the joint preliminary announcement), on the market price of Vereeniging Estates R2 stock units on the same date (2 050 cents) and on the weighted average price of Vereeniging Estates stock units during the week ended 17th October 1975 (2 329 cents) (the first week after the listing was re-instated), the relative market values of the alternative investments were:

	25th September 1975	Percent Increase	Week ended 17th October 1975	Percent Increase
Amalgamated				
100 Amalgamated shares	R450		R450	
90 Amcoal shares	R461	2.4	R524	16.4
Coronation				
100 Coronation shares	R290		R290	
70 Amcoal shares	R359	23.8	R407	40.3
SACE				
100 SACE shares	R1 000		R1 000	
275 Amcoal shares	R1 409	40.9	R1 601	60.1

Based on the most recent deals in 1975 in the case of unlisted shares the relative values of the alternative investments were:

Blesbok				
100 Blesbok shares	R71		R71	
20 Amcoal shares	R103	45.1*	R116	63.4*
New Largo				
100 New Largo shares	R91		R91	
20 Amcoal shares	R103	13.2*	R116	27.5*

*Because share transactions in these two unlisted companies have been infrequent, and have involved limited numbers of shares, the increases shown, while correct, are not truly representative.

Effects on Shareholders' Dividends and Earnings

(a) Dividends

Based on actual dividends paid by Scheme Companies for the 12 months to 31st December 1974, on actual Scheme Companies' interim dividends (final dividend for the year ended 30th June 1975 in the case of New Largo) plus forecast Amcoal final dividend of 17.5 cents a share for the year ending 31st December 1975 and on *forecast Amcoal dividends totalling 38 cents a share* for the year ending 31st December 1976 (which are expected to be paid subject to no unforeseen circumstances arising), the comparative dividends per share in the respective Scheme Companies are as follows:

	Dividends receivable converted to cents per Scheme Company share: Actual 1974	Forecast 1975	Forecast 1976
Amalgamated	40.0	40.0	34.2
Blesbok	6.0	6.5	7.6
Coronation	9.0	18.3	26.6
New Largo	7.0	8.5	7.6
SACE	45.0*	73.1	104.5

* Comprising 25 cents declared in June 1974 and 20 cents declared in December 1974.

(b) Earnings

The table below shows actual earnings per share of Scheme Companies for the 12 months to 31st December 1974, the forecast earnings per share of Scheme Companies for the 12 month periods to 31st December 1975 and 31st December 1976 and the forecast comparative earnings per share in the respective Scheme Companies for the 12 months to 31st December 1976, based on the forecast Amcoal earnings of 108 cents a share.

Earnings Converted to Cents per Scheme Company Share

	Actual 1974	Forecast 1975	Forecast 1976	Forecast 1976 After Merger
Amalgamated	47.0	57.4	115.3	97.2
Blesbok	11.3	13.6	20.7	21.6
Coronation	30.0	41.9	48.3	75.6
New Largo	10.7*	14.2	22.2	21.6
SACE	132.9**	144.8	282.8	297.0

* Actual earnings for financial year ended 30th June 1975.
**Earnings based on an 18 month period and calculated proportionately to the number of shares in issue during the period.

Johannesburg.

17th November, 1975.

Associated British Foods

Half Year Progress Report

The Directors of Associated British Foods Limited announce unaudited profits for the six months ended 27 September, 1975. An interim dividend of 0.5935p per ordinary share will be paid on 5 April, 1976 to shareholders registered at 1 March, 1976. *Including tax credit this dividend is equivalent to 0.9131p per* share, an increase of 10% on last year.

	Six months to 27 September 1975 £	Six months to 28 September 1974 £	Year to 29 March 1975 £
Sales to customers	580,000,000	501,000,000	1,067,000,000
Trading surplus	40,200,000	33,600,000	76,200,000
Less Depreciation	9,900,000	9,100,000	19,600,000
Group profit	30,300,000	24,500,000	56,600,000
Less Interest charges	4,700,000	5,800,000	11,100,000
Profit before Tax	25,600,000	18,700,000	45,500,000
Less United Kingdom tax	7,600,000	5,200,000	13,600,000
Overseas tax	4,300,000	3,300,000	7,000,000
Profit after Tax	13,700,000	10,200,000	24,900,000
Less Minority interests	2,900,000	2,500,000	5,300,000
	10,800,000	7,700,000	19,600,000
Less Extraordinary items	600,000	400,000	(800,000)
	£[illegible]	£7,300,000	£20,400,000
Preference dividends	20,000	20,000	40,000
Ordinary dividends			
1st Interim	1,954,000	1,807,000	1,807,000
2nd Interim	—	—	3,372,000

The Chairman, Mr. GARRY H. WESTON, reports:

Total worldwide sales for the Group, after allowing for currency realignments, have increased by £79 million to £580 million, or 16 per cent, compared with the first six months of last year.

Profits before tax have increased by £6.9 million to £25.6 million, or 37 per cent, during this period, with nearly all our operating divisions making contributions towards this increase.

In this country the results from our main manufacturing and retail divisions were all very satisfactory: of particular note were the contributions made by Fine Fare and our biscuit companies.

It was, however, the major turnround in the *results achieved by our Australian subsidiaries and our* bakery division in this country which contributed so substantially to these six months' figures. In the first half of last year, both of these divisions had made negligible contributions to the Group's results, due to the severe effects of price control; since that time their operating margins have been partially restored.

In South Africa, *increased exports*, as well as improvements in productivity, raised profits by 27 per cent, although in sterling terms, this was partially offset by the devaluation of the Rand in September.

In addition to the better operational results, there has been a substantial improvement in the Group's liquidity position in the UK, which is reflected in the reduction of interest charges. This improvement in liquidity, supported by some restoration of profit margins, has enabled the company to review afresh its capital expenditure programme. The Group's forward capital commitments have now been increased to a level approximately 40 per cent higher than in the same period last year.

Undoubtedly, these results must be considered very satisfactory, particularly under present trading conditions, and once again they clearly demonstrate *the relative efficiency and competitive strength of the* Group, both at home and overseas, and the concentrated efforts of the managements of our operating divisions.

Whilst we believe that we may have some difficulty in maintaining the current level of margins in the second half of the year, given reasonable trading conditions, *we are confident that the Group can maintain* its momentum and will record a year of exceptional profit growth, combined with a renewed commitment to a high level of capital investment.

IINING NEWS

t's a long haul 'or BH South

LESLIE PARKER, MINING EDITOR

PROSPECT of Australia's outh resuming dividends in ear future was unlikely the nan Mr. James Tyler told ompany's annual meeting in urne.

added that the company had a trading loss of $4.2m. e year to last June, had d the 1975-76 period with being incurred at much the level. So he reckoned that in November of next year vidend resumption was rely." Naturally, he made sual noise that payments be reinstated "at the t opportunity."

as nevertheless not all bad our Sydney correspondent s. Ore reserves at the Cobar mine in New South Wales risen from 39m. to 44m. Although production has be cut, mining in the area be continued for a long with a lift in metal prices their present low levels. regards the prospects for most exciting new future e. the Duchess phosphate ts, Mr. Tyler said the sland Government had iteed $20m. of a $42.5m. loan ie company had tentatively ed with a consortium put er by the ANZ banking until long-term contracts een completed.

ntract for delivery to South has been arranged and in the south-eastern Asia e under negotiation in line he Australian Government al for the export of up to nnes annually for 10 years. y of next year an annual tonnes output rate is ed to be achieved. day BH South were ged at 165p.

The Emperor's day the company and some labour trouble at ine but there were no casualties or damage to property. The shares moved in line with the general trend of South African gold shares, falling 25p to 160p.

Impala over the worst?

A FIRST quarterly dividend for the year to next June of 15 cents (8.4p) is declared by the Union Corporation group's Impala Platinum. In the previous year the South African platinum mining and refining complex paid a first quarterly dividend of 30 cents, omitted payments for the following two quarters and declared a final quarterly of 15 cents.

Platinum remains a depressed market with both Impala and Rustenburg Platinum Mines operating at well below capacity. Prospects for a recovery in platinum metal prices lie not only in the awaited pick-up in the Western world economy but also in the sales policy adopted for the substantial exports of Soviet metal made to the West.

Meanwhile, profit margins of the South African platinum producers are being squeezed between rising costs and a relatively low producer price which is still higher than the going rate of £71 or so per ounce on the free market—the latter level being a little cheaper these days than the free market price of gold which closed at $141.75 per ounce (£79.72) yesterday. Fortunately, Impala's earnings are being helped by South Africa's recent devaluation and the company's cutback on capital spending.

Impala's latest interim suggests that the nadir of the market may have been reached. This is in line with the recent comments of the chairman, Mr. Ian Greig, who retains his faith in the longer-term but who has said that he can see no real resurgence in demand over the next six months or so unless there is a firm pick-up in the U.S. and European economies. A stake in Impala of 21.56 per cent. is held by Bishopsgate Platinum which were 97p yesterday.

RAINE GOLD'S W SHAFT

Anglo-Transvaal group's gold mine has commis- its No. 4 shaft which, to- with No. 3 shaft, venti- he mine's southern area ll make it possible to ex- perations as a part of the programme to increase roughput to 130,000 tons h by the end of 1976 com- with last quarter's 95,000

rday the company an- d some labour trouble at ine but there were no

PAVING THE WAY FOR AMCOAL

Full details are now announced of the proposed amalgamation of the Anglo American Corporation group's coal interests into Anglo American Coal Corporation, a major expansion-orientated force in the South African coal scene.

As already announced, the terms of the mergers are based on every 100 existing shares in the respective companies, Amalgamated Collieries being offered 90 shares in Amcoal; Blesbok 20; Coronation 70; New Largo 20; and South African Coal Estates 275. The vehicle is to be Vereeniging Estates which is to increase its issued capital to 23.5m. shares of 50 cents and change its name to Amcoal.

The new set-up will take advantage of tax reliefs set against capital spending; will have an earnings base in South Africa's domestic coal market; and will seek the substantially higher profit margins on coal exports which have now been enhanced by the new Richards Bay railway and port facilities which, it seems, will have to be enlarged in the near future. Amcoal, in a nutshell, has a big growth potential.

Falconbridge's tax problem

THE EARNINGS results for Falconbridge Nickel's Canadian operations are still having to be qualified by the ultimate upshot of the discussions with the Ontario Government about the now long-standing tax problem. The company continues to believe that a satisfactory solution will be found although it is still difficult to determine when this will be concluded.

If the disputed Norwegian processing costs are allowed then Falconbridge's nine-month earnings of $5.9m., or $1.19 a share, would compare with $25.3m. or $5.11 a share. Disallowance would reduce the latest profit to $4.44m. or 90 cents a share.

In the nine months nickel metal deliveries were 29 per cent. lower than in the same period of 1974 while ferro-nickel deliveries fell by 34 per cent. It is stated that throughout Europe and North America many nickel users are carrying significant inventories.

Even assuming a favourable economic outlook, Falconbridge adds, the upturn in nickel product deliveries to customers is likely to be delayed for some months until these inventories are liquidated.

MINING BRIEFS

LONDON TIN CORPORATION—Columbite output for Amalgamated Tin Mines of Nigeria for October (four weeks) was 13 tonnes concentrates (September: four weeks: 14 tonnes).

EX-LANDS—October output of Tin concentrates 38 tonnes (September: 40 tonnes).

Cambrian & General

Revenue of Cambrian and General Securities for the year to September 30, 1975 increased from £145,441 to £182,410 subject to tax of £84,910 against £48,296.

	1975 £	1974 £
Gross revenue	231,795	184,996
Revenue before tax	182,410	145,441
Taxation	84,910	48,296
Pref dividend	4,138	4,156
Ord. int. div.	38,100	21,819
Final	65,380	39,138

The final dividend per 25p share is 4.0625p net lifting the dividend total from 5.025p to 5.6875p.

Net asset value per share was 174.5p (91p). Valuation of investments was £3.88m. (£1.98m.).

RNATIONAL STMENT FERENCE ember 24th and 25th DUBLIN

king is now taking place The Irish Times invest- conference which will the four major topics with the 18 speakers

rts:

ie Economic and Busi- Outlook," a world view particular attention to I.K., covering inflation, current recovery, U.S. ment, and the needs of ry.

rospects for Portfolio ment," starting with Street, then covering the commodities and the market.

fshore Oil," world id and prices, plus the firms' strategy and the Sea and Celtic Sea.

ature Forms of Company cing," the sources of the capital that firms will and the future debt ures firms will use.

ers:

FROM THE U.S.

vard Palmer, chairman xecutive committee of nk.

y Shilling, chief econo- of White, Weld, stock- rs.

FROM THE U.K.

x Jacrall, chairman of International.

olas McAndrew, director, Warburg.

lip Jevons, managing or, Rudolf Wolff

ert Norbury, partner, Mackenzie.

ntin Morris, group e co-ordinator, B.P.

n Sykes, deputy manag- rector, P. and O. Energy

istopher Allsopp, econo- New College, Oxford.

FROM GERMANY

nhold Stoessel, chief mist, Dresdner Bank.

FROM IRELAND

hie Ryan, T.D., Minister inance.

k Lynch, T.D., Leader of pposition.

aidhri Roberts, general tary, Irish Congress of Unions.

ran Flynn, chief execu- Abbey Ltd

m Jones, partner, Wilk- and Falkner, stock- rs.

n Bourke, director, l Irish Investment Bank.

hard Hooper, director, tment Bank of Ireland.

rick Geary, economist, ersity College, Dublin.

SSION CHAIRMEN:

hael Smurfit, deputy nan and joint managing tor of the Jefferson fit Group Ltd., Dublin.

n Garvey, president of Stock Exchange—Irish

van Hamilton, director chief executive of the r Bank Ltd., Belfast.

Patrick Hayes, managing tor of Henry Ford and Ltd., Cork, and chairman Board of Aer Linte and er Lingus.

REGISTRATION

oking is now in progress. ures giving full details egistration forms may be by telephoning the con- ce organiser at Dublin 722022, ext. 250, from a.m. to 5 p.m.

BIDS AND DEALS

Bowater approaches Stewart Plastics

STEWART PLASTICS, which manufactures a variety of plastic products by the injection moulding process, has received an approach from Bowater that could lead to an offer being made for the company. The Stewart share price responded with a 19p rise yesterday to 92p, which places a market capitalisation on the company of just under £4.1m.

Some friendly discussions have already taken place between the two companies, though as yet no agreement has been finalised and no offer price has been fixed. The outcome of any bid will hinge on acceptance by the directors who collectively control roughly 60 per cent. of the SP equity.

Commercial links already exist between the groups and the packaging division of Bowater has been a customer of Stewart for a number of years. A successful bid would extend Bowater's own interests in plastics manufacture.

CUSTOMAGIC SHARES PLACED

A block of 1.32m. Customagic shares, representing some 25.1 per cent. of the equity, has been placed among a spread of institutions. The shares were formerly the holding of Welland Textiles, a private company; Welland had held the shares for roughly three years.

Two Customagic directors, Mr. D. Darling and Mr. P. R. Nutting, who have represented the Welland interests, have resigned from the Customagic Board. At the close last night Customagic shares were quoted at 13p xd, up 1½p.

PERMALI

BTR announces that, pursuant to arrangements with Permali SA and others, it has purchased 70,576 shares of Permali from shareholders associated with Permali SA at 31½p each.

Permali shareholders are reminded that the final BTR offer closes on Saturday.

FED. CHEMICAL

Federated Chemical Holdings has acquired from Mr. and Mrs. T. O'Brien and other directors, the 26 per cent. of the equity of Clonmel Chemicals not already owned. There will be no changes in the management of Clonmel and Mr. T. O'Brien continues as executive chairman.

The company is engaged in the manufacture and distribution of pharmaceutical products.

L.K. INDUSTRIAL

L. K. Industrial Investments announces that, pursuant to the acquisition arrangements made with the vendors of its wholly-owned subsidiary, Stearn Engineering Group (as subsequently amended) it has issued 161,000 Ordinary shares at par, which are entitled to receive the interim dividend for the current year declared on October 23.

Further shares are due to be issued in 1976 based on the performance of Stearn.

H. COX

H. Cox and Sons (Plant Hire) announces that Transport Development Group has acquired a further 50,000 Ordinary shares in the company, making its total holding 1,212,600 shares (25.25 per cent.).

Scotia spells out its 'survival' arrangements

The formal offer for the remaining shares in Scotia Investments has now been despatched by stockbrokers Greene and Company, acting on behalf of Alco Metropolitan Properties—a private property and investment company owned by one former and three current Scotia directors. The three other independent Scotia directors (Mr. R. W. Buchanan, Mr. R. L. Owen and Mr. R. E. Scott), having taken advice from chartered accountants Lubbock, Fine and Company (also Scotia's auditors), are recommending shareholders to accept the cash offer of 17p a share.

Alco already holds over 60 per cent. of the Scotia equity. Its purchase of 2,328,875 shares in March this year from certain subsidiaries of Triumph Investment Trust (now in liquidation) forced Alco, under the Take-overs and Mergers rules, to make an offer to the minority.

In a letter to shareholders, the three independent directors refer to the effect the crisis in the property and finance sectors has had on Scotia and on Alco, which is controlled by the other three Scotia directors, Mr. A. T. Dembeniotis, Mr. P. Frohlich and Mr. C. F. Braum. The letter describes a complex series of financial arrangements which the three directors say were considered essential to Scotia's survival as a going concern.

It is revealed that HC Finance, a Scotia subsidiary, made a loan of £2.75m. to Alco, which had previously bought the Normandie Hotel, housing Scotia's successful Knightsbridge Sporting Club gaming concern, with the help of credit from Scotia. (This purchase is described as necessary to keep the Normandie "in friendly hands.")

The bulk of the new loan (£2.1m.) was then used to repay the previous debt to Scotia and the loan itself was secured on the Normandie subject to certain conditions. On the same day that the £2.75m. loan was fixed up, March 3, 1975, Alco acquired its 60 per cent. stake in Scotia for some £430,000.

At November 11, 1975, Alco's net indebtedness to Scotia is put at £2.57m.

It is also revealed that the U.S.-controlled concern Greyhound Guaranty, has lent Scotia £3.75m. to refinance its property development site at Bailey's Hotel in Kensington. This loan was secured on Bailey's Hotel and by a second floating charge over virtually all the rest of the Scotia assets. The Alco directors have given personal guarantees for all the borrowing from Greyhound.

On the basis of these various arrangements, Scotia shareholders are told that the group can continue as a going concern. However, they are also warned that the greater part of profits and cash flow will go to servicing interest charges on borrowings, and that dividends are unlikely for the foreseeable future.

A statement of net tangible assets of Scotia at December 31, 1974, is provided and shows the value per share at 14.1p. The auditors, Lubbock Fine, have qualified these accounts on two counts: first, in relation to the accuracy of the property valuation and, second, as to whether the amount due from Alco should be included at its full book value.

Better first half from Shires Inv.

From increased revenue of £149,809, against £129,009, taxable profit of Shires Investment Company improved from £117,618 to £137,746 in the half year to September 30, 1975.

A same-again second interim dividend of 1.4p net has already been announced. Last year's total of 5.6p was paid from profits of £242,019.

Net asset value per 25p share at September 30 was 104.5p (74.6p). At end 1974-75 it was 91.7p.

Ash Spinning cuts interim

After allowing for a trading loss of over £50,000 by W. K. Blackburn—now in receivership—profits of Ash Spinning showed a reduction from £86,826 to £18,469 in the half year ended September 27, 1975.

The interim dividend is being cut from 1.5p to 1p—for 1974-75 a total of 3.625p was paid from profits of £101,402.

Referring to Blackburn, chairman Mr. J. B. Brierley says there will have to be a further write-off, the amount of which will become clearer as the receivership progresses. Total indebtedness of Blackburn to the Ash group is £267,642.

In present trading conditions the group can satisfy customers from sources within and has therefore ceased single yarn production at Joseph Hardman and Son. This decision helps the cash position of the group without involving any losses, says the chairman.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Denmark to raise $200m.

By Mary Campbell

TWO COUNTRIES which have not borrowed substantially on the medium term sector of the Euromarket since before last year's money market crisis are expected to return to the market soon. Plans for Denmark to raise at least $200m. are well-advanced while there appears to be an increasing likelihood of Italian public sector institutions returning to the market again in the not too distant future.

Neither of the two countries concerned yet has a loan in course of syndication. Denmark has, however, given Citicorp International, Morgan Guaranty and Chase Manhattan Ltd., a joint and equal mandate to raise at least $200m. between them. Market sources suggest that these three banks are in course of putting together a management group for the loan.

In the case of Italy the situation appears to be that the Italian authorities have not yet decided whether to borrow again on the Euromarket or not With its balance of payments even more affected by the 1973 oil price rises than most industrial countries and with a heavy volume of borrowing outstanding. Italy was worse hit by the money market crisis last year than most countries.

Since then, however, Italian public sector borrowers have even gone so far as to pre-pay some of their earlier Euromarket loans, while the balance of payments situation has improved beyond recognition. Already Montedison has arranged a $50m. loan—it reportedly has another loan under syndication—and banks are willing to lend to Italian public sector borrowers again.

Should the Italian authorities decide to give the go-ahead to public sector institutions to tap the Euromarkets again, there is a strong likelihood that the first borrower would be the Italian State Railways.

The Railways had been planning a loan with Smith Barney as lead manager, at the time when Euromarket banks effectively cut off their lending to Italy; and the plan has now been revived. Reuters reports from Paris that after making soundings among potential lenders, Smith Barney is in a position to arrange a loan of at least $150m. for the Railways with a maturity of five years and a spread of 1½ per cent.

There have also been rumours in the Euromarkets for some time that Istituto Mobiliare Italiano (IMI) may be planning a Euromarket borrowing.

Japanese steel results meet gloomy expectations

BY PETER DUMINY

TOKYO, Nov. 17.

JAPAN'S steelmakers have produced first-half results every bit as bad as they said they would, though the setback is predictably masked at the earnings level by transfers from reserves and other special items. The six months were marked by falls in production, declines in sales and export prices, by higher raw material costs, and by delays in the introduction of domestic price increases.

Nippon Steel, the industry leader, reports sales down 4 per cent. compared with the corresponding months of last year, to $3.6bn. Before special transfers this meant a loss of $48.3m. in comparison with last April-September's pre-tax profit of $97.3m. Earnings are nevertheless shown, of $18.7m. ($43.3m.).

Kawasaki experienced the same thing in more extreme form. Sales were nearly 5 per cent. down at $1.3bn. Trading produced a lose of $28.2m. (profit of $61m.). But earnings come out at $11.8m. ($27m.), as a result of $28m. obtained by drawing on funds previously stored in the price fluctuations reserve, $3.9m. profit from the sale of assets and other items.

Like its competitors, Kawasaki is maintaining the Y2.5 interim dividend (though only at the rate of Y1.667 on the new shares issued in June when the capital was enlarged by one-third). Altogether this absorbs $18.1m. and is partly covered by retained earnings.

Sumitomo Metal once again presents a more favourable picture, mainly attributable to its strength in tubular products, for which export markets in particular remained relatively strong during the period. Sales were 24 per cent. higher at $1.96bn. and recurrent profits, pre-tax, were only 10 per cent. lower at $51.9m. (but well below the $129m. of the second half of 1974-75). The trend may be ominous; the company warns of a possible overall loss in the current six months.

Meanwhile, however, it appears that substantial amounts are still being stored away against future needs. At any rate, earnings of only $21m. are left after transfers and tax—virtually no change on last year's first half.

Nippon Kokan is something of a special case, having large shipbuilding and general engineering divisions in addition to its integrated steelmaking facilities. These were stabilising factors in the first half.

This group generated a 9 per cent. increase in sales to $2bn. and showed a recurrent profit of $1.8m. against $80m. last April-September. This $1.8m. was made up of a loss of $15.6m. on steelmaking, and profits of $14.2m. from shipbuildings and $3.2m. from heavy engineering. Earnings (after tax) are boosted by transfers to $5.3m. ($36m.) and do not cover the dividend.

The other integrated steelmaker, Kobe, has still to report.

In the second half, the industry will be materially helped by the recent cut in interest rates, and even more so by the 10.7 per cent. ($22.65 a ton) average domestic price increase passed on to consumers with September shipments. However the industry had planned another $10 a ton hike before the year-end. Companies now say this may be impossible because of opposition from the Fair Trade Commission.

Another factor, no doubt, is that the domestic market (which accounts for between 20 per cent. and 30 per cent. of supplies, the rest coming from negotiated contracts) is weak at present, with prices already at a significant discount to those quoted by steelmakers.

The industry estimates that higher iron ore prices increased the cost of finished steel by 77 cents a ton during the first half, while the effect of higher coking coal prices was 32 cents. Over a full six month period the impact would be larger, even with no further price hikes.

Meanwhile an overall governing factor appears to be the industry's expectation that production this fiscal year will be no more than 100m. tons of raw steel, compared with 114m. in 1974-75 and 17.3 per cent. less than output in 1973-74. This means the industry is working at least 20 per cent. below capacity.

FKH forecasts stabilisation

BY GUY HAWTIN

FRANKFURT, Nov. 17.

FRIEDRICH KRUPP Huettenwerke (FKH) is expecting a stabilisation of demand in the next few months. The forecast, contained in its report on the third quarter of 1975, coincides with the publication of an economic study which indicates that the contraction process in the construction industry is now at an end.

In June, FKH — the steelmaking arm of the Krupp group —was forecasting an improvement in the order situation by the beginning of autumn at the latest. Two months later, the concern was reported as saying that it was expecting only a slight improvement in the steel market in the autumn.

However, in a report on the construction industry—a major domestic steel consumer — the Munich-based economic research institute IFO says that, although the depths of the recession in the sector has been reached, growth over the next ten years will be limited.

IFO forecasts that total construction and building production will expand by only about an average of 3 per cent. a year between 1975 and 1985. This is substantially below the growth rates forecast for the economy as a whole.

The construction industry's recovery is likely to be an important factor in the recovery of the West German domestic steel market. It is, after all, a much larger consumer than the motor industry and therefore the IFO report makes depressing, though not entirely unexpected, reading.

IFO points out that 1975 output in the sector has been lower than in 1969. Since 1973, it says, production has dropped by 15 per cent. and the decline has been even sharper than in the 1967 recession when the fall-off was 6 per cent.

FKH is basing its hopes of a stabilisation of demand on the run-down of customers' stocks. Despite the weakness of the steel market generally, the concern appears to believe that stocks have been depleted to such an extent that new orders will have to be forthcoming.

However, in the third quarter of the year FKH continued to feel the bite of the recession. Volume output and prices continued downward and no short-term improvement in the employment situation is foreseen.

Despite the situation, the FKH Supervisory Board has given the go-ahead for the investment programme planned since mid-1973. The decision, taken at the Board's November 14 meeting, will lead to the construction of a second large blast furnace in the Rheinhausen works. The second blast furnace will have a capacity of 1.8m. tonnes of crude iron a year.

Meanwhile, West Germany's largest steel-maker, August Thyssen Huette, has reported a similar situation. A preliminary statement on its 1974/75 business year (ended September 30) reveals that the concern's steelmaking operations were running at a loss in the second half. The order situation at the opening of the new business year remains weak in the steel sector. The processing sector, however, is reported stable with a growing order book.

Despite the second half's losses, ATH is expecting to report "satisfactory profits" although the group has given no estimates of their size. The prediction comes despite an average production decline of 15 per cent. on the previous year's performance.

Steel output fell by 20 per cent. against 1973-74 to 13.6m. tonnes and went into the red in the second half. Group external turnover dropped by 4 per cent. to DM21bn. while the proportion of exports in total turnover rose from the previous 12 months' 34 per cent. to 36 per cent. The processing sector, however, remained stable while there was a strong expansion in the international plant sector.

Falling demand in the steel sector led to the introduction of short-time working. The labour force was also trimmed by some 4 per cent. during the year and on September 30 lay at about 141,000. Investment totalled DM1.1bn.—rather more than the previous year's DM871m.

Scrip issue from Korsnas-Marma

By John Walker

STOCKHOLM, Nov. 17.

KORSNAS-MARMA, the forestry group, proposes in its preliminary report for 1974-75 that its capital should be increased by Kr.59.5m. to a total of Kr.298m. by means of a bonus issue of one-for-four Ordinary shares. Turnover during the past year has risen by 21 per cent. total of Kr.1bn. (£111m.). The increase will bring the share capital more into line with the concern's real value, the Board states.

The operating profit amounts to Kr.297m. compared with Kr.266m. for the previous year. Net profit rose from Kr.31m. in 1973-74 to Kr.61.3m. in 1974-75. The dividend for 1974-75 amounts to Kr.8 per Ordinary share plus a bonus of Kr.1 per share.

Usinor profits decline by nearly one-fifth

BY RUPERT CORNWELL

PARIS, Nov. 17.

USINOR, the biggest French steel group, to-day announced a drop of over 18 per cent. in sales for the first nine months of 1975, to Frs.5.96bn. (£650m.) from Frs.7.29bn. (£805m.) at the same stage of last year.

Output declined to 5.8m. tonnes from 7.2m., while deliveries were down to 4.6m. tonnes from 5.7m. Usinor, a major partner in the Fos steelworks on the Mediterranean, has already reported a first-half loss of Frs.370m. (£41m.) and forecasts for the full year's deficit go as high as Frs.800m. (£90m.) plus. At Sacilor, the operating company for the Wendel Group, the picture is scarcely brighter. Nine months' sales declined to Frs.5.4bn. from Frs.7.2bn., while output reached only 3.8m. tonnes (5.3m.). The company has already reported a first-half loss of Frs.249m. and the signs are that the situation has deteriorated in the autumn.

The problem of financing the huge investments that the industry is still committed to make are obvious from the profit figures, and talk is growing of a further postponement of the second stage at Fos, scheduled to double the capacity of the complex to 7m. tonnes, until the early 1980s.

Only last week the head of the French Steelmakers' Federation M. Jacques Ferry, said it would be unwise to embark on new investment now. Output of the French industry this year is at present down 19 per cent. over 1974, while new orders and prices have dropped as far or further

IBM suit against Xerox

By Jay Palmer

NEW YORK, Nov. 17.

THE SIX-YEAR long legal battle between International Business Machines and Xerox over copier technology and patents has entered a new round. Late last week IBM, the monolith of the U.S. computer industry, filed two separate suits alleging that Xerox has infringed IBM patents for improving the quality of copies.

Although the subject and nature of this new suit is not that startling, this case does mark a milestone in the two companies' legal quarrels over copiers. In the past Xerox, the world's largest copier maker, has always been the legal aggressor and this is the first time that an IBM challenge has forced it on to the defensive.

IBM filed its new suits simultaneously both in the U.S. and Canadian courts. Specifically, it asked for legal injunctions against Xerox and unspecified damages. The company said that its patents covered processes for "improving the quality of copies" and "extending the life of machines" which were being used in Xerox's new 400 and 4500 models.

While Xerox stressed that it had not yet seen full details of the suits, it pointed out that the company had licenses from IBM covering these apparent areas. A spokesman later added that the suits "were without merit."

Given that there has as yet been no court decision on the original patent dispute between the two companies dating back to 1970, it is certain that these new allegations will not be quickly settled. It is generally being assumed that this suit will be handed for pre-trial purposes to Judge David Edelstein, who is both looking after previous Xerox suits and presiding over the Justice Department's computer monopoly case against IBM.

Statement on Haw Par requested

SINGAPORE, Nov. 17.

SINGAPORE Finance Minister Hon Sui Sen has been asked to deliver a major statement to Parliament on November 20 on the investigations into the Singapore conglomerate, Haw Par Brothers International, according to a Parliamentary notice.

Member of Parliament Hwang Soo Jin, requesting the statement, listed five particular points he wished to see answered.

The five points were—what further evidence has been obtained to substantiate the allegations against those former directors of the company who had participated in Spydar Securities.

What steps have been taken to ensure the co-operation of the authorities in Kuala Lumpur, London and Hong Kong.

Whether he will inform the House of the reason for the resignation of G. Starforth Hill as an Inspector and whether Hill's resignation would in any way impede the course of the investigation.

Whether the validity of the loan of HK$29m. from Slater Walker Securities to Haw Par is being investigated.

What steps the Board of directors of Haw Par have taken, or propose to take, with a view to strengthening the management of the company.

Reuter

First L & G loss for 40 years

By John Wicks

ZURICH, Nov. 17.

THE SWISS electrical engineering concern Landis and Gyr, of Zug, has told shareholders in a Board letter that the group will this year show its first loss for some 40 years. The company, which says its cashflow has been "only slightly positive," reports a drop in group sales, due mainly to a drastic fall in construction activity in almost all leading markets. Individual product sectors, however, were able to expand or at least keep to former sales levels.

Landi and Gyr, which has not been able to adjust costs fully to the decreased production volume, expects that the recession in the building trades and the declining investments of industrial customers will continue to affect major product sectors within the group.

Exchange queries Gollin again

BY JAMES FORTH

SYDNEY, Nov. 17

DIRECTORS OF Gollin Holdings, which last month reported losses for 1974-75 totalling $A18m., were queried again by the Sydney Stock Exchange after a sudden burst of selling on the share market. Gollin was asked by the Exchange two weeks before it revealed the extent of its losses whether directors knew of any reason for a sharp fall in price. The Board said it did not, and that the only matter of importance pending was the annual results.

The query followed another sharp drop in the price, from 20 cents to 14 cents on sales of more than 400,000 shares.

A leading Melbourne sharebroking firm, Potter Partners, began selling heavily early in the day. The sales coincided with reports that Gollin was encountering problems in financing a $A50m. loan in Japan to enable it to go ahead with a coal loader project at Newcastle, New South Wales. The coal loader is one of Gollin's main hopes for putting the company back on a strong footing.

The Japanese lenders are reportedly concerned about Gollin's loss and its financial standing as a result. Gollin managing director, Mr. Keith Gale said recently after a visit to Japan to discuss the loan that to his knowledge the Japanese consortium would not refuse the loan. "At the conclusion of my discussions in Japan we were back to the original schedule with us reaffirming our agreement to give the security we previously offered," he said.

Reports from Japan suggest the Japanese are seeking four conditions. They include a guarantee from the N.S.W. Government to repay the loan if Gollin cannot, that Gollin increases its mortgage from the present 70 per cent. to 100 per cent. of the loan, that the consortium can invite another shipper to join the project or replace Gollin if it cannot proceed, and that Gollin's Australian bankers guarantee repayment of the loan to Japan's Export-Import Bank.

The Stock Exchange asked Gollin when it expected to release its preliminary statement of 1974-75 (the October 17 announcement of the heavy losses was an estimated figure ahead of audited results). It also asked Gollin to keep it fully informed of any "significant developments" relating to the coal loader project. The request was made late in the afternoon and Gollin directors have not yet replied.

Rumours spread during the day about Gollin's financial difficulties, possibly sparked by the heavy trading. It is suggested that some of the major institutional holders are selling and that there is a very heavy weight of shares overhanging the market.

A group of dissatisfied shareholders is also attempting to set up a shareholders' committee. The shareholders are said to want changes made in management of the company.

Reuter adds: Gollin expects to make a statement this week next on the progress of nego[tia]tions to borrow $A51.9m. fro[m a] Japanese consortium to finance coal loader at Newcastle, N[ew] South Wales, a company spo[kes]man said.

The company is confident loans will be successfully ne[go]tiated despite reports fr[om] Tokyo of doubts about Gol[lin's] viability following its [pre]liminary report of a gross [loss] of not more than $A18m. the year to end-August.

He denied stock ma[rket] rumours that the loss will exc[eed] $A18m.

The final result statem[ent] with a special loss figure for year, will be released this mo[nth] he said.

Counter offer launched for M. B. John

BY JAMES FORTH

SYDNEY, Nov. 17

WORMALD International the fire protection and security group, has launched a $12m. counter takeover bid for valve maker, M B John Wormald has offered a cash price, a mixture of cash and shares, or all shares. The offers are well above a current approach by Blue Metal Industries.

The Wormald bid is the third offer since July, when the Australian Industry Development Corporation sold its 23 per cent. holding to Actrol for $A1.31 a share. The AIDC acquired its holding some years earlier, to thwart an attempt by the U.K. Pegler Hattersley group to acquire control. Actrol made an offer but was blocked by the Trade Practices Commission. BMI then bought the parcel from Actrol and offered $A1.50 cash or one BMI share plus 75 cents cash, currently worth $A1.75 for each M. B. John share.

The M. B. John directors have consistently opposed the BMI offer and a bitter war of w[ords] has developed. The Worm[ald] offer is worth far more and J[ohn] directors said it was vie[wed] favourably. Wormald is bid[ding] $A1.80 cash, or one Worm[ald] share plus $A1 in cash every two John shares or Wormald shares for every t[hree] John shares. The share and c[ash] approach is currently w[orth] $A2.07 and the straight s[hare] swap is worth $A2.10.

Wormald and M. B. John both Australian owned, both w[ere] formed around the turn of century and both went publ[ic] roughly the same time. Wor[mald] in recent years has branched into international operations earnings and growth perform[ance] in recent years has been which has enabled the Boar[d to] take advantage of its relati[vely] high market price of $A3.15 [com]pared with BMI's $A1. But directors have said they will accept the Wormald offer will not sell their stake.

VW to take U.S. decision

By Guy Hawtin

FRANKFURT, Nov. 17.

THE VOLKSWAGEN Supervisory Board will take a decision early next year on whether or not to start up production in the United States. This was announced after a Supervisory Board meeting which considered the possibilities of production in America.

Much will depend on the decision, as Volkswagen's sales in the U.S. have been declining sharply during the course of this year. The group has been strongly urged by its U.S. subsidiary to start producing its cars in the market in order to make them more competitive.

Many of the car maker's leading executives are thought to be in favour of such a project but debate has centred on the degree to which the group's West German works would be affected by such a scheme. It is understood that the group does not now believe that any German works would have to close if assembly was started in America.

Volkswagen has also predicted that it should be back in profit next year. A statement from the concern indicated that losses in 1975 were substantially reduced compared with the previous year.

This year's loss is likely to be well down on 1974's DM807m. and it is understood that in some months this year the group was running at a profit. As far as the group's American sales are concerned the recent strengthening of the dollar against the D-mark has aided profitability; however, this is not likely in the long term to add much to its competitiveness in the market.

Kirin expects gain

TOKYO, Nov. 1[7]

KIRIN BREWERY Company Limited expects to report net income of more than Y9bn. for the business year to January 31, 1976, compared with Y8.35bn. in the preceding year, a company spokesman said. Gross sales are likely to exceed Y510bn., an increase of more than 8.9 per cent. over Y468bn. in the previous year.

The company reported a 46.8 per cent. decline in net income for the first half ended July 31 to Y2.53bn. from Y4.77bn. in the same period last year.

An 8.2 per cent. increase in the price of beer, which accounts for more than 90 per cent. of Kirin's sales, and an unusually long summer this year have helped the company expand profits considerably in the current half, the spokesman said.

The company has, however, been restraining its sales of to some extent, so that its s[hare] of the domestic market may rise beyond the present 60 [per] cent. A further rise in Ki[rin's] market share is liable to inc[rease] public pressure for splittin[g it] up under an anti-mono[poly] measure, he said.

He added consumption of in Japan would probably ris[e] four to five per cent. ann[ually] in the coming years and h[e] hopes to expand its beer within that limit.

Kirin's 50-50 joint ven[ture] for whisky production from [im]ported malt, Kirin Seagram, been making steady prog[ress] although it will be some y[ears] before the company can selling whisky produced on own, the spokesman said.

Reuter

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Amax 8½pc 1986	95½	96½
Ashland 8pc 1987	89¼	90¼
Austrawiss 8pc 1987	89½	90½
BFCE 9pc 1989	98¼	99¼
Borregaard 9½pc 1989	92¾	93¾
Carrier 8pc 1987	88½	89½
Conoco 8pc 1988	95	96
Consd. Foods 7¾pc 1991	87	88
Cutler Hammer 8pc 1987	91½	92½
EIB 9¾pc 1985	100½	101½
Esso 8pc 1986 Nov.	97¾	98¾
General Cable 8½pc 1987	88½	89½
General Motors 8¼pc 1986	101½	102½
GTE 8½pc 1986	95	96
ICI 7¾pc 1992	82	85
Nat Grindlays 7½pc 1987	73	75
Pacific Light 8pc 1988	89	90
Prov. of Quebec 7¾pc 1989	88	89
Quebec Hydro 8½pc 1989	98	99
Queensland 8½pc 1987	86½	87½
Scanraff 8¾pc 1988	96¾	97¾
Shell 8pc 1986	94½	95½
Stand. Oil (Ind.) 8½pc 1989	99	100
Tenneco 7½pc 1987	86½	87½
Transocean 8pc 1986	95	96
TRW 8¾pc 1986	98	99
Utah 8pc 1987	91½	92½
Volvo 9½pc 1985	99½	100½
NOTES		
Air France 9½pc 1982	101½	102½
Aust. Ind. Dev. 10½pc 1981	103½	104½
Barclays 7½pc 1975	98½	99½
Cie Ntl du Rhone 10pc '82	102½	103½
Du Pont 7½pc 1978	102	103
Esso 7½pc 1978	100	101
General Motors 9½pc 1978	101	102
Marubeni 9pc 1981	101	102
Nippon Fudosan 10½pc 1981	102½	103½
Skand Enskilda 10½pc 1981	103½	104½
Tenneco 7½p 1979	98	99
Tokyo Curacao 10½pc 1981	102½	103½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	80	82
Ashland 5pc 1988	78	80
Beatrice Foods 4¼pc 1992	96	98
Beatrice Foods 4½pc 1992	102	104
Borden 5pc 1992	95	97
Broadway Hale 4½pc 1987	76	78
Canon Camera 7¾pc 1989	87	90
Carnation 4pc 1987	[illegible]	87
Chevron 5pc 1988	100	102
Dart 4¾pc 1987	82	84
Eastman Kodak 4½pc 1988	120	122
Economic Labs. 4¼pc 1987	81	83
Eidai 7½pc 1989	78	81
Fed Dept Stores 4½pc '85	131	133
Firestone 5pc 1988	89	91
Ford 6pc 1986	95	96
Ford 5pc 1988	77	79
General Electric 4¼pc 1987	83	85
Gillette 4¾pc 1987	77	79
Gould 5pc 1987	89	91
Gulf and Western 5pc 1988	86	88
Harris 5pc 1992	69	71
Honeywell 6pc 1986	78	80
ITT 4½pc 1987	68	70
Komatsu 7½pc 1990	100	102
J. Ray McDermott 4¾pc '87	113	115
Mitsui 7½pc 1990	101	103
J. P. Morgan 4¼pc 1987	104	106
Nabisco 5½pc 1988	94	96
Owens Illinois 4½pc 1987	89	91
J. C. Penney 4½pc 1987	78	80
Pioneer 6½pc 1988	161	163
Rank 4½pc 1993	42	44
Revlon 4¾pc 1987	99½	101½
Sperry Rand 4¼pc 1987	96½	98½
Squibb 4½pc 1987	84	86
Texaco 4½pc 1988	74	76
Toshiba 6½pc 1990	101	103
Union Carbide 4¾pc 1982	102	104
Warner Lambert 4½pc 1987	94	96
Warner Lambert 4¼pc 1988	80	82
Xerox 5pc 1988	75	77

Source: Kidder, Peabody Securities.

...nior hospital doctors have voted for industrial action. How do they view their jobs? **Donald Maclean** assembles one point of view

Patients still come first

HAD a night's sleep Thursay . . . look on the bright . . . it's only Sunday, I'm of another one to-morrow. a houseman, bottom of the er, be a consultant when 37 in 13 years. Be a conint . . . Yes, but where? e's no need to stay in this try, though I'd prefer to.

ere is another possibility. ay. If I don't like the job, shouldn't I get out? Look e physical stress: up to 120 s, or more a week. Not y week, admittedly . . . I'll off next week-end, for nce, and some people only one week-end in three. The eman's pre-registration year e worst for the hours. But 's the financial strain as The average house officer s 94½ hours according to Review Board. That's et a basic 80-hour week a salary of £2,859—several ired pounds more for 94½ s, admittedly. At the top of the junior doctor's range, r registrar level, it's an 82- average, and a basic salary ,818.

t that the physical strain he financial strain is the t thing. The emotional ns are that—all of them, ding frustration about pects.

ng hours aren't a good , though they are an essenpart of training. But I dn't have liked to have a patient who came into lty when I was on the other : I could feel my judggoing, I was so tired.

e hours may be traditional the job's changed, and ging

ere are the new drugs, and technologies: new things, machines, new methods. it's not just a question of to learn in training, or to into use when you start ising. There's the keeping lth events. Particularly diffor women to go off and babies and then come back.

train

an take the hours, and the cial strain: youth's on my Forget this idea of getting Feel better when I've had sleep. I don't know though ook at the league tables . . . ce, drug addiction, suicide, nolism . . . very high among rs!

st as well I don't want to get married, though even medical students do these days. Never mind the hours, there's the constant changing of jobs—and flats, if I'm not living in hospital. Always being uprooted. Five jobs in five years in three counties isn't so unusual.

It's not as though I knew that the job I was in was leading to another one. I'll be on the Medical Register in three months. I've done my five years to qualify, and it won't be so long till I have finished my statutory year's training on the wards.

Maybe 90 per cent. of housemen do live in, but it's only 7

". . . he might end up wheeling patients into the operating theatre himself . . ."

per cent. by senior registrar level. While I'm single I'll never be quite out of a bed, get one at the hospital, but I want to move out before long, and I might want to get married . . . and start a family eventually.

But everyone has trouble with flats. I wish it was clearer where my next job's coming from. My consultant seemed promising. I think he's got an idea of something to put me up for. Must keep looking at the ads. in the *British Medical Journal* though. Not that I won't be able to get a job somewhere, even if I have to move a few hundred miles.

Look at Johnnie. He took time off to think about quitting. Came back; sat and meditated. Then he said: "come on, this is no good, five years to qualify . . . can't throw it all away." He's happy again, now, a registrar at 26. Doesn't work the houseman's hours, but its true he's got more responsibility. Responsibility. Responsibility is more strain than hours, and he has to teach.

But the houseman doesn't only have the long hours. He's the front line. The consultant is ultimately responsible, but it's the houseman who's closest to the patient. It wouldn't be as demanding if we still had the old ward sister but nowadays she tends to go on to be an administrator under the new system.

All this emotional strain. I must learn to be worse-tempered off duty. It's got to go somewhere! Hard on those around you, I know; that's why friendships and marriages break up. But people in the hospital understand, anyway. Always get a cup of tea from the nurse when I'm called out in the night.

Look ahead though. Wouldn't you like to be an honorary senior registrar like Patrick? Spends two-thirds of his time on the wards, even if he isn't employed by the National Health Service! I suppose I'm lucky to be interested in the academic side. Patrick's working on a thesis, most consultants have their MD.

All very well being a senior registrar, but look at Arthur, only 34 but he could have a consultancy to-morrow, but he won't take one! Spends over 46 per cent. of his on-call or standby time actively working, is not much less than I do—I'm exactly on 50 per cent. the way it's measured. Not that the figures allow for the time it takes me to get back to sleep after spending five minutes answering a telephone.

Not taking a consultancy though . . . odd thing that! My consultant says lack of back-up staff is a spurious reason. I can see both points of view. There is a lack of back-up these days. Arthur says that if he takes a consultant's post, he might end up wheeling patients into the operating theatre himself. But that's been done — and it's not so important. He only says it to make a point. But he's right about shortage of junior staff. There he might be, the consultant, doing work back down the line, the senior registrar's, registrar's maybe, the senior house officer's, the houseman's — before you get to nurses, auxiliary staff and porters.

It's not as though consultant's jobs are hard to come by: 800 vacancies, the British Medical Association says, and that's in 12,000 consultants' posts. Not that all are being advertised . . . no money to pay for some of them.

Structure

The old career structure has gone. Our doctors go abroad, overseas doctors come and go. And we've recruited too many women into the profession. We're bound to lose a lot of them, if only for a time.

All this row over private practice and junior doctors' overtime pay is disturbing, of course . . . till it's settled, who knows what to expect.

It's difficult to keep these emigration stories in perspective. Lots of those going are research people, essentially. They go where the facilities for research, and the money to provide the facilities, are. Doesn't have to be bad for medical treatment in this country. Research is international so everyone benefits.

But lack of prospects is a real thing. In the old days, doctors worked long hours in their early careers, and took low wages—lots of them used to have private means—but they could always look forward to something better in a few years. Now, with the private practice row, you can't be sure of supplementing your NHS income from work outside.

Not that anyone wants to squabble over money—or hours. No doctor I know thinks he can do his job in 40 hours a week, or 44. He just wants a good, basic wage and to be left to do the work that needs doing.

We don't take the Hippocratic Oath these days, but patients still come first.

LEGAL NOTICES

No. 003704 of 1975
...he HIGH COURT OF JUSTICE ...ry Division Companies Court. In ...latter of GENERAL PRACTI...RS STUDIES LIMITED and in the ... of The Companies Act, 1948.
...CE IS HEREBY GIVEN that a ... for the Winding up of the ...named Company by the High Court ...stice was on the 10th day of ...ber 1975, presented to the said ... by the COMMISSIONERS OF ...MS AND EXCISE of King's Beam ... 39-41, Mark Lane, London, EC3R ...nd that the said Petition is directed ... heard before the Court sitting at ...oyal Courts of Justice, Strand ... WC2A 2LL on the 8th day of ...ber 1975, and any creditor or ...utory of the said Company desirous ...port or oppose the making of an ...on the said Petition may appear ... time of hearing in person or by ...unsel for that purpose; and a copy ... Petition will be furnished by the ...signed to any creditor or contribu... the said Company requiring such ...n payment of the regulated charge ...e same.
G. KRIKORIAN,
King's Beam House,
39-41, Mark Lane,
London EC3R 7HE
Solicitor to the Petitioners
...E.—Any person who intends to ...on the hearing of the said Petition ...serve on, or send by post to, the ...named notice in writing of his ...on so to do. The notice must ...he name and address of the person, ... a firm, the name and address of ...m, and must be signed by the ... or firm or his or their Solicitor ...), and must be served or, if posted, ...be sent by post in sufficient time ...ch the above-named not later than o'clock in the afternoon of the ...y of December 1975

No. 003734 of 1975
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of DAVE & BAKER LIMITED and in the Matter of the Companies Act, 1948.
NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 13th day of November 1975, presented to the said Court by SPICER COWEN LIMITED whose registered office is at 82 Piccadilly, London W1A 1EJ, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 8th day of December 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.
Wm. F PRIOR & CO.,
Temple Bar House,
23-28, Fleet Street,
London, E.C.4.
Solicitors for the Petitioner.
NOTE. Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 5th day of December 1975.

No. 003735 of 1975
...the HIGH COURT OF JUSTICE ...ery Division Companies Court. In ...latter of PENOYRE GOLF AND ...TRY CLUB LIMITED and in the ...r of the Companies Act, 1948.
...ICE IS HEREBY GIVEN that a ...n for the Winding up of the above...d Company by the High Court of ...e was on the 12th day of November, ...presented to the said Court by ...Y FOX & COMPANY LIMITED ...registered office is at 17, Cumber... Avenue, NW10 7RN in the County ...ealer London Wine Merchants, and ...he said Petition is directed to be ...before the Court sitting at the ...Courts of Justice Strand London, ...2LL on the 8th day of December, ...and any creditor or contributory of ...aid Company desirous to support or ...e the making of an Order on the ...Petition may appear at the time of ...g in person or by his counsel, for ...purpose, and a copy of the Petition ...be furnished by the undersigned to ...creditor or contributory of the said ...any requiring such copy on pay... of the regulated charge for the ...
TROWER STILL & KEELING,
5 New Square, Lincoln's Inn,
London, W.C.2
Agents for C. R. JONES
...Bristol, BS99 7JR.
Solicitors for the Petitioner.
...E.—Any person who intends to ...r on the hearing of the said Petition ...serve on, or send by post to, the ...named notice in writing of his ...ion so to do. The notice must state ...ame and address of the person, or ...firm, the name and address of the ...and must be signed by the person ...m, or his or their solicitor (if any) ...must be served, or, if posted, must ...t by post in sufficient time to reach ...above-named not later than four ...k in the afternoon of the 5th day ...ecember 1975.

No. 003741 of 1975
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of SOUTHERN INDUCTION LIMITED and in the Matter of the Companies Act, 1948.
NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 12th day of November 1975, presented to the said Court by INDUCTION HEATING EQUIPMENT LIMITED whose Registered Office is at 61, Cheapside in the City of London, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 8th day of December 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.
A. BANKS & CO.,
61 Cheapside,
London EC2V 6JS.
Solicitors for the Petitioner.
NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-mentioned notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 5th day December 1975.

ANNOUNCEMENT

...F. M. NEWSON retired as managing ...ector of Berry Ede & White Limited ...l will continue as chairman. Mr. C. D. ...bson is appointed managing director.

GOURMET

CORPORATION LOANS

COMPANY NOTICES

COMMERZBANK AKTIENGESELLSCHAFT

RIGHTS ISSUE NOVEMBER, 1975

The Board of Management has decided to increase the issued share capital by DM.53,300,000 to DM.570,300,000. The new shares have been subscribed at a price of DM.125 per share of DM.50 nominal by a banking consortium, which is offering DM.51,700,000 to shareholders at this price on the basis of 1 new share for every DM.500 nominal of shares held.

DM.1,550,000 nominal will be offered to holders of the 5½% Convertible Loan Stock of 1972 at the same price on the basis of 1 new share for every DM.2,000 nominal of Loan Stock.

The balance of DM.50,000 will be sold in the market.

The new shares, which rank for dividend as from 1st October, 1975, are being offered on the terms of the Company's announcement dated November, 1975. Copies of this announcement, with an English translation, are available on request at the offices of the London Paying Agent, S. G. Warburg & Co. Ltd.

Application will be made for the new shares to be admitted to the Official List of The Stock Exchange, London.

LONDON DEPOSIT CERTIFICATES

In accordance with the terms of the Certificates, S. G. Warburg & Co. Ltd., as Depositary will upon request of holders exercise the rights attached to the shares which are represented by London Deposit Certificates, and issue fresh Certificates in respect of new shares subscribed on payment of £0.10 per Certificate.

In the absence of such request the Depositary will dispose of the rights appertaining to the underlying deposited shares and will distribute the net proceeds to the holders of Certificates in proportion to their holdings.

PROCEDURE IN THE UNITED KINGDOM

Authorised Depositaries in the United Kingdom wishing to take up rights must lodge the following:
London Deposit Certificates for marking Square No. 25
In respect of Share Certificates—Coupon No. 31.
In respect of 5½% Convertible Loan Stock 1972—Warrant No. III
and make payment in full, in respect of U.K. residents, in investment currency during the subscription period from 24th November, 1975, to 3rd December, 1975, inclusive (between 10.0 a.m. and 3.0 p.m.) at the offices of the London Paying Agent:
S. G. WARBURG & CO. LTD.,
Coupon Department,
St. Albans House,
Goldsmith Street,
London, EC2P 2DL.

Temporary Receipts will be issued and Lodgement forms are obtainable on application.

Authorised Depositaries wishing to make payment in sterling should agree the applicable rate of exchange with the London Paying Agent.

Authorised Depositaries will be advised at a later date when the new London Deposit Certificates/Share Certificates are available to be exchanged for Temporary Receipts.

S. G. WARBURG & CO. LTD.,
London Paying Agent and Depositary

18th November, 1975.

Notice to Holders of European Depositary Receipts (EDR's) in MITSUI & CO. LTD., TOKYO

We are pleased to confirm that copies of the Six-Month Report for the period 1 October 1974-31 March 1975 of Mitsui and Co. Ltd. are now available to EDR holders upon application to the following sub-depositaries:—

Citibank Branches in:
Amsterdam
Brussels
Frankfurt
Milan
Paris

Bank of Tokyo Branches in:
Brussels
Dusseldorf
Hong Kong
London
Milan
Paris

First National City Bank (Luxembourg) S.A.
Kredietbank S.A. Luxembourgeoise—Luxembourg.

First National City Bank
London Depositary
November 1975

CONFERENCES

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Rally as New York rescue hopes rise

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Nov. 17.

STOCKS moved ahead moderately in late trading largely on the hope that the Ford Administration may yet grant New York City the Federal guarantees City and State officials say are necessary to avert debt default.

It appeared that investors were betting that some solution would be found before next month, when the City has to make good on its short-term debts, although the Administration has hitherto opposed any Federal rescue operation.

The Dow Jones Industrial Index rose 2.99 to 856.66 while NYSE advances topped declines by around a seven-to-six margin. Turnover approximated 17m. shares against Friday's 16.46m. The Transport Index rose 1.14 to 174.57; the Stocks Index was ahead 1.13 to 263.26; and the Utility Index gained 0.32 to finish at 83.88.

Du Pont rose $3¼ to $132½. It declared a year-end dividend of $1 a share.

American Chain and Cable picked up $⅞ to $20⅜, although the exchange halted trading in the issue. The trading halt came prior to the announcement that Babcock and Wilcox of Britain, intends to make a cash tender offer for the company's stock at $27 a share.

Otis Elevator tumbled $9¼ to $36¾. United Technologies said about 6.2m. shares of Otis' Common Stock, or about 73 per cent. of its outstanding Common shares, had been tendered under United's offer to purchase shares at $44 each. United Technologies stock fell $1½ to $48½.

Xerox fell $1½ to $52⅜ after announcing last Friday that it had lowered rental prices on some of its copiers.

Denny's Inc. fell $1 to $18⅞. It said it plans an offering of 1m. common shares.

Among the issues up a point or more were Cone Mills up $3¼ to $40⅛; Corning Glass up $2¼ to $42¼; IBM up $2⅛ to $255; Burroughs up $3 to $88¾; Time Inc. up $1¾ to $60⅞; Walt Disney up $1 to $53⅞; Eastern Kodak up $1¾ to $108¼, Bankers Trust up $1 to $33⅜; McDonald's Corp. up $1½ to $57⅞, Levi Strauss up $1 to $42⅛, and Dow Chemical up $1⅞ to $93⅜.

Prices on the American Stock Exchange closed mixed in light trading. The Amex Index dipped 0.03 to 35.60, while advances and declines were even at 309 each. Turnover amounted to 1.74m. shares against 1.55m. shares on Friday.

at 201.51. But Golds were off 0.87 at 256.46.

Massey-Ferguson topped Industrial activities, rising ⅞ to $18⅞. The company said it expected a 40 per cent. rise in sales this year.

In other changes, Riverside Farms "A" rose 65 cents to $4.60 while Moore Corporation gained ⅜ to $49⅜.

PARIS—The Market turned mixed after a firmer opening. Operators paid little attention to the Rambouillet summit. Banks, Foods and Oils were steady with Constructions and Metals mixed. Stores and Chemicals were weak. L'Oreal put on Fr.11 and BSN Gervais rose Fr.4 as did Carrefour. But Air Liquide fell Fr.4 and Moet Hennessey lost Fr.5.

BRUSSELS — The market was higher in most sectors although trading continued to be quiet. Local issues to rise included Bruxelles Lambert up B.Frs.20, Electrobel, CBR, Hoboken, Mosane, Solvay, St. Roch, and Arbed. Against this, Sidro GB-Inno-BM, Sofina, Union Miniere and Societe Generale declined.

U.K., German and Dutch stocks rose. U.S. stocks were higher where changed, but Gold Mines fell back following the London bullion trend.

AMSTERDAM—The market advanced broadly following Wall Street and the firmer dollar in quiet trading with Unilever and Hoogovens each gaining Fls.1.3 in Dutch Internationals.

Elsewhere, gains were headed by Heineken, Amfas and Elsevier. However, OCE, Bijenkorf and Boer were among the isolated declines.

FRANKFURT — Values were generally maintained although shares earlier moved up to DM1 either way.

Veba gained DM1.7 and GHH DM4 but other Utilities lost up to DM2 while Machinery shares fell up to DM3. AEG lost DM1.50. Leading Bank, Motor and Steel shares were virtually unchanged, although Bayer added DM1.60. Stores fell up to DM1.50. The bourse index registered another advance.

MILAN—The market closed mixed in quiet trading. Olivetti Ordinary, both Pirelli, Finsider and Italsider were leading industrials to show losses while Olivetti Privileged, Fiat, Snia Viscosa and Anic gained slightly.

ZURICH — The market firmed slightly on small selective buying support. Oerlikon Buehrle lost ground on profit-taking, however, after recent strength. Other losers in Financials included Bally Bearer. Juvena Bearer closed unchanged on balance.

Industrials turned mixed with Foods firmer including Nestle Bearer, Hero and Roco.

OSLO—Banks were slightly steadier, Insurances and Shippings quiet and Industrials tended easier.

VIENNA—Higher with good demand centred on Breweries.

COPENHAGEN—Mixed in fair trading.

HONG KONG—The market was little changed in very thin, featureless trading, after an easier start.

Interest centred on Banks, and Jardines, recouped an early loss to close unchanged at $HK21.70. HK Bank rose 10 cents to $HK16.30.

TOKYO—Prices were narrowly irregular, with a waiting sentiment prevailing following the Rambouillet summit and operators awaiting Wall Street's reaction. The Tokyo SE Index rose 0.24 to 315.59.

Chiyoda Chemical Engineering and Construction advanced Y17 to Y499 on expectations of increasing plant exports to Middle East countries. Construction shares like Sato Kogyo and Mitsui Construction closed lower, as did some precision machinery, chemical and non-ferrous metal shares.

AUSTRALIA—All sectors were lower, led by BHP which fell 22 cents to $A6.54. Other major Industrials fell, including EZ Industries, down 10 cents to $A2.90. Banks were also lower.

Minings fell back, with Peko 15 cents lower at $A4.30, Pancontinental down 30 cents to $A7.00 and Kathleen five cents lower at $A1.40.

Oils were generally unchanged, apart from Woodside, which rose 3 cents to 94 cents on its hydrocarbons find.

JOHANNESBURG—Gold shares continued to drift down on slight selling pressure. This cast a shadow over the entire market and Harmony shed 35 cents to R5.75 while Loraine lost 15 cents to R2.00. Financial Minings were lower following Producers and Coppers lost up to 5 cents while Platinums traded at previous levels.

OTHER MARKETS

Canada higher

Stocks tended higher on the Toronto Stock Exchange. The Industrial Index was up 0.80 at 177.70. Base Metals put on 0.10 at 73.80 and Western Oils 0.56

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume† 000's
Nov. 17	67.63	174.57	856.66	83.88	17,660
14	68.75	173.43	853.67	83.56	16,490
13	68.75	173.28	851.23	83.40	25,070
12	62.65	173.22	862.26	83.08	25,960
11	65.51	170.05	838.55	82.57	14,640
10	62.60	169.62	835.48	82.57	14,910
7	65.58	169.99	835.80	82.73	15,930
6	68.57	169.58	840.92	82.89	18,600
5	[illegible]	168.18	836.27	82.66	17,390
4	68.55	167.61	830.13	82.44	11,570
3	65.67	166.26	825.72	82.31	11,400
Oct. 31	68.58	166.32	836.04	82.63	12,910
30	65.33	166.67	839.42	81.96	15,050
29	68.46	165.25	836.63	82.02	16,110
28	65.51	166.54	851.46	82.66	17,060
27	63.36	166.76	838.43	82.44	13,100
24	66.34	166.66	840.62	82.47	15,12
1975 High	69.82 (4/4)	174.12 (5/5)	881.81 (15/7)	87.07 (24/6)	—
Low	66.16 (5/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	165.52 (20/4/65)	—
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Nov. 17	Nov. 7	Nov. 1 1974
4.43	4.60	5.71

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	Nov 17	Nov 14	Nov 13	Nov 12	Nov 11
51.24 (15/7)	37.06 (2/1)	48.40	48.16	48.20	48.22	47.52

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,830	793	620	417

	Nov 17	Nov 14	Nov 13	Nov 12	Nov 11
New Highs	64	65	113	67	83
" Lows	14	8	11	17	18

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High	1975 Low	Nov 17	Nov 14	Nov 13	Nov 12	Nov 11
96.80 (15/7)	82.39 (2/1)	85.60	85.58	85.66	85.28	84.15
Volume (000's)		1,740	1,550	2,220	2,260	1,670

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Nov. 17	102.42	91.46
14	101.88	90.97
13	101.98	91.04
12	102.20	91.19
11	100.67	89.97
10	100.05	89.34
7	100.05	89.33
6	100.32	89.55
5	99.56	89.15
1975 High	107.40 (15/7)	96.91 (15/7)
1975 Low	77.71 (8/1)	70.74 (8/1)

* 425 Industrials, 60 Utilities, 25 Rails. † 425 Industrials, 50 [illegible]

STOCK AND BOND YIELDS

	Nov. 12 1975	Nov. 5 1975	Nov. 13 1974
Ind. Ord. yield pc	3.68	3.78	4.62
Ind. Ord. p/e ratio	12.02	11.78	8.46
Long-term Govt. Bds. per cent.	6.07	6.06	6.88

MONDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	change on day
Westghse. Electric	561,600	11⅞	—⅛
Southn. Cpn.	267,580	14¼	+⅛
Xerox Cpn.	239,300	52⅜	—1½
Newmont Mining	217,900	22⅝	—⅛
Am. Tel. Tel.	149,700	50⅝	—⅛
Pan. Am.	131,300	3⅝	+⅛
Northn. State Pwr.	124,800	26¼	+⅛
Braniff Int.	115,500	7⅞	+⅛
Kresge SS	112,400	34¼	+⅛
Holiday Inns	106,700	15	+⅛

TORONTO

INDUSTRIAL INDEX

Nov. 17	Nov. 14	1975 High	1975 Low
177.99	176.90	196.50 (15/7)	159.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

Nov. 17	Nov. 14	1975 High	1975 Low
182.38	181.01	205.61 (16/7)	159.95 (2/1)

COMBINED INDEX

Nov. 17	Nov. 14	1975 High	1975 Low
179.80	176.86	196.00 (12/7)	158.06 (2/1)

JOHANNESBURG

	Nov. 17	Nov. 14	1975 High	1975 Low
Industrials	214.5	216.2	238.9 (16/7)	183.2 (23/1)
Gold	229.4	234.3	379.1 (2/1)	203.3 (10/9)

(1958=100.) Source: Rand Daily Mail.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Nov. 17	Nov. 13	Nov. 6
On Dividends	6.45	6.45	6.59
On Earnings	11.43	11.43	11.01

SYDNEY ALL ORD. INDEX

Nov. 17	Nov. 14	High 1975	Low 1975
405.80	410.25	422.40 (14/10)	283.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Nov. 17	Nov. 14	High 1975	Low 1975
315.59	315.35	333.11 (2/7)	268.24 (10/1)

HONG KONG INDEX ◆

Nov. 17	Nov. 14	High 1975	Low 1975
310.79	309.93	341.57 (9/6)	160.45 (9/1)

SINGAPORE INDEX §

Nov. 17	Nov. 14	High 1975	Low 1975
230.05	229.92	268.69 (11/6)	153.26 (8/1)

EUROPE

	Nov. 17	Previous	1975 High	1975 Low
Belg'm (a)	98.91	98.64	111.81 (16/6)	89.07 (3/1)
Denm'k (b)	97.50	98.02	98.02 (14/11)	73.08 (13/1)
France (d)	67.00	67.0	72.6 (23/4)	51.70 (2/1)
Germ'y (e)	749.7	747.0	749.7 (17/11)	573.5 (2/1)
Holland (f)	87.5	88.1	107.6 (6/6)	83.2 (2/10)
Italy (g)	79.66	80.01	108.8 (21/2)	75.41 (17/1)
Spain (h)	—	106.06	110.84 (22/4)	91.85 (19/9)
Sweden (k)	404.79	404.84	409.81 (12/11)	310.68 (9/1)
Switz'rl'd (m)	286.6	284.2	290.1 (6/6)	205.2 (2/1)

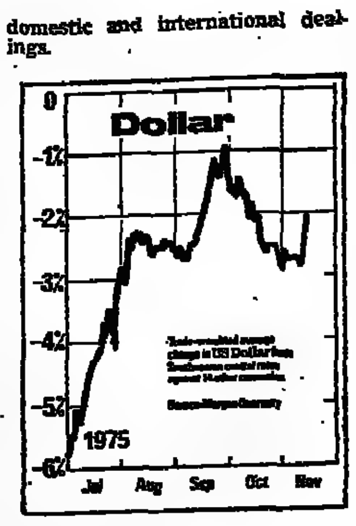
Indices and base dates (all base values 100):— (a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970. (g) Milan 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. ◆ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

$ stronger

The U.S. dollar maintained its recent advance against other major currencies in the foreign exchange market yesterday, being helped by hopes that a solution may soon be found to New York's financial crisis. The trade-weighted depreciation of the dollar against 14 units since the Washington Currency Agreement, as calculated by Morgan Guaranty on noon rates, in New York, improved to 2.03 per cent. from the previous 2.34 per cent.

Sterling opened at $2.0445-2.0455 in terms of the dollar but lost ground during the day, mainly on the strength of the dollar, to close at $2.0320-2.0330, against the previous $2.0460-2.0470. Against other currencies, however, the pound remained steady and in some cases recorded small gains. The Bank of England calculation for the pound's trade-weighted average depreciation, since the Washington Currency Agreement, remained unchanged at 29.7 per cent. The depreciation at noon, and in early dealings, stood at 29.6 per cent.

Gold opened at $141¾-142¾ and drifted lower during the day to close at $141¼-142¼, a loss of $½. The Krugerrand finished at $145-147 (£71-72) in the domestic market, against $146½-148½ (£71½-72½) on Friday. The coin's premium over its gold content narrowed to 3.0 per cent. for both domestic and international dealings.



SPECIAL DRAWING RIGHT RATES

One SDR is equal to	Nov. 17	Nov. 14
Sterling	0.575845	0.576113
U.S. dollar	1.17599	1.17890
Belgian franc	46.0870	45.9948
Deutsche mark	3.05710	3.04805
French franc	5.21169	5.19569
Italian lira	801.114	800.267
Japanese yen	356.031	355.617
Dutch guilder	3.14107	3.12998
Swedish krone	5.18612	5.17655

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Nov. 17	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't	—	2.607-608	58.68-79	6.635-646	5.305-315	97.45-55	97.40-50
N. York*	38.25-28	—	22.53-55	2.537-54	2.0325-30	37.27-30	37.35-37
Paris	167.05-46	4.4363-4368	—	11.30-335	9.035-6	165.78-6.18	165.78-6.18
Brussels	15.05-08	39.19-23	8.84-86	—	80.00-09	14.66-70	14.66-69
London	5.31¼-32¼	2.0320-30	9.023-05½	80.00-0.20	—	5.45-48	5.44-45
Am'erdam	102.58-73	2.6698-6723	60.31-36	6.815-819	5.454-468	—	99.98-100.0
Zurich	102.41-56	2.675-676	60.20-31	6.805-815	5.446-451	99.85-100.1	—

U.S. $ in Montreal. U.S. $=101.50-52 Canadian cents. Canadian $ in New York. $ C=98.44-46 U.S. cents. U.S. $ in Milan 681.25 Sterling in Milan 1381.80.

EURO-CURRENCY INTEREST RATES*

Nov. 17 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	11½-12	5¾-5⅞	7¼-8¼	1¾-2	3-3¼	¾-1
7 days notice	11⅝-11⅞	5-5⅛	7¼-8¼	1¾-2	3-3¼	1-1⅛
Month	11¼-11⅝	5⅞-6⅛	8½-8⅞	4¾-5	3⅛-3¼	1⅛-1⅜
Three months	11½-11⅞	6⅞-7⅛	8¼-8⅝	5⅛-5⅜	4⅛-4⅜	3⅛-3⅜
Six months	11⅞-12¼	7⅜-7⅝	8½-9¼	5⅛-5⅜	4⅜-4⅝	4-4⅛
One year	12⅛-12½	7⅞-8⅛	8⅞-9⅜	6-6¼	5⅛-5⅜	4⅞-5

Euro-French deposit rate short-term 6½-6¾ per cent.; seven days' notice 6½-6¾ per cent.; one month 6½-7 per cent.; three months 7½-7¾ per cent.; six months 7¾-8¼ per cent.; one year 8¼-8½ per cent.

Longer-term Eurodollar deposit: two years 8¼-8½ per cent.; three years 9-9¼ per cent.; four years 9¼-9½ per cent.; five years 9½-9¾ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 5¼-5½ per cent.; three months 6[13/16]-6[11/16] per cent.; six months 7[5/16]-7[3/16] per cent.; one year 7[13/16]-7[11/16] per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars, and two-days' notice for guilders and Swiss francs.

GOLD MARKET

	Nov. 17 1975	Nov. 14 1975
Gold Bullion (a fine ounce)		
Close	$141¼-142¼	$141½-142½
Opening	$141¾-142¾	$142¾-143¾
Morning fix'g	$142.10 (£69.561)	$143.25 (£69.861)
Afternoon fix'g	$142.00 (£69.659)	$142 (£69.276)
Gold Coins (domestically)		
Krugerrand	$145-147 (£71-72)	$146½-148½ (£71½-72½)
New sov'r'gns	$45½-47½ (£22¼-23¼)	$45-47 (£22-23)
Old sov'r'gns	$45½-47½ (£22¼-23¼)	$45-47 (£22-23)
Gold Coins (int'rn'n'a'ly)		
Krugerrand	$145-147 (£71-72)	$146½-148½ (£71½-72½)
New sov'r'gns	$43-44 (£21-21½)	$43½-44½ (£21¼-21¾)
Old Sov'r'gns	$43-44 (£21-21½)	$43½-44½ (£21¼-21¾)
$20 Eagles	$223-226	$224-227
$10 Eagles	$114-117	$115-118
$5 Eagles	$74-77	$74-77

FOREIGN EXCHANGES

Nov. 17 1975	Bank Rates %	Market Rates: Day's Spread	Close
New York	6	2.0310-2.0450	[illegible]
Montreal	8½	2.0659-2.0790	[illegible]
Amst'dam	4½	5.45-5.47	[illegible]
Brussels	6	79.80-80.35	[illegible]
Copenh'gen	7½	12.34-12.40	[illegible]
Frankfurt	3½	5.30-5.34	[illegible]
Lisbon	6½	54.70-55.10	[illegible]
Madrid	†7	121.60-121.70	[illegible]
Milan	6	1,386-1,393	[illegible]
Oslo	5	11.28½-11.34½	[illegible]
Paris	8	9.02-9.06	[illegible]
Stockholm	6	9.00-9.04	[illegible]
Tokyo	6½	612-622	[illegible]
Vienna	6	37.40-37.75	[illegible]
Zurich	3	5.43-5.47	[illegible]

† Basic discount. ‡ Rates given are for convertible franc; closing financial franc 82.20-82.45.

OTHER MARKETS

		¶ Notes Rates	
Argentina	80.15-80.35	Argentina	[illegible]
Australia	1.6054-1.6198	Austria	[illegible]
Brazil	17.72-17.92	Belgium	[illegible]
Finland	7.95-7.92	Brazil	[illegible]
Greece	70.437-72.167	Canada	[illegible]
H'ngKong	10.23-10.25½	Denmark	[illegible]
Iran	140.0-142.0	France	[illegible]
Kuwait	0.595-0.605	Germany	[illegible]
Luxemb'g	80.00-80.20	Greece	[illegible]
Malaysia	5.2405-5.2655	Italy	[illegible]
N Zealand	1.9575-1.9465	Japan	[illegible]
SaudiArab.	7.20-7.30	Neth'rl'ds	[illegible]
Singapore	5.0615-5.0645	Norway	[illegible]
S. Africa	1.7675-1.785	Portugal	[illegible]
U.S.		Spain	[illegible]
Canada		Sw'tz'l'nd	[illegible]
C$1		U.S.	[illegible]
U.S. cents	98.42-98.46	Yugosl'ia	[illegible]

¶ Based on rates quoted by specie dealers. Other rates may be quoted elsewhere. ◆ Rate given is the commercial rate: financial rate 102.74-102.94. Special financial rate: 146.30-146.80. rates nominal.

FORWARD RATES

—	One month	Three months
New York	0.95-0.85 c.pm	2.40-2.30 c.pm
Montreal	0.40-0.30 c. pm	1.10-1.00 c.pm
Amst'dam	3½-2½ c. pm	8¾-7¾ c.pm
Brussels	40-25 c. pm	110-90 c.pm
Cop'nhg'n	9-7 ore pm	19-17 ore pm
Frankfurt	3¾-2¾ pf. pm	10-9 pf pm
Lisbon	30 c. pm-40c.dis	80 c.pm-40 c.dis
Milan	3-1 lire pm	6-4 lire pm
Oslo	6½-4½ ore pm	18-15 ore pm
Paris	4-2 c. pm	10-8 c pm
Stockh'lm	4¾-3¾ ore pm	11½-9½ ore pm
Vienna	20-10 gro pm	70-40 gro pm
Zurich	4¾-3¾ c. pm	11½-10½ c. pm

Six-month forward U.S. dollar 4.30-4.20c pm and 12-month 7.65-7.55c pm.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—108¼% (108½%)

NEW YORK

[illegible]

CANADA

[illegible]

GERMANY ◆

[illegible]

PARIS

[illegible]

AMSTERDAM

[illegible]

MILAN

[illegible]

BRUSSELS

[illegible]

SWITZERLAND ◆

[illegible]

COPENHAGEN

[illegible]

VIENNA

[illegible]

AUSTRALIA

[illegible]

TOKYO †

[illegible]

Source Nikko Securities, Tokyo

STOCKHOLM

[illegible]

OSLO ◆

[illegible]

JOHANNESBURG

MINES

[illegible]

INDUSTRIALS

[illegible]

SPAIN ▼

[illegible]

NOTES: Overseas prices exclude S premium. Belgian dividends are after withholding tax. [illegible]

FARMING AND RAW MATERIALS

etter outlook r world otton trade

ABIDJAN, Nov. 17.

WORLD cotton marketing ok is more favourable than s a year ago. Consumption pected to rise and world ies are satisfactory.

M. Santley, executive or of the International n Consultative Committee, this at a meeting here, led by representatives of 35 is as well as international s.

duction for the 1975/76 would be down on the ous season, however, to 57m. or 58m. bales, from because of cuts in the area d to cotton due to the drop nand that resulted from the textile industry recession.

Santley said stocks of built up over the last few would make up for the drop tput. Once these were sted, prices would start to stimulating production for ming season

consumers and producers both seek price stability, ng satisfactory income for cers and maintaining 's competitive prices

edge given Australian ool price

LAUNCESTON, Nov. 17.

ON VON BIBRA, chairman Australian Wool Industry rence, said the caretaker lture Minister, Mr. Ian ir, had assured him that terim Government would no changes in the Austra- Wool Corporation's floor for this season.

von Bibra said Mr. Sinclair old him he was anxious to all any suggestion that enance of the floor price be affected in any way by itcome of the December 13 al Election.

Sinclair had said that, if Liberal-National Country coalition won the election, overnment would hold talks the industry early in 1976 setting the floor price for 976-77 wool selling season.

OA PURCHASES

ACCRA, Nov. 17.

chases of main crop cocoa he seventh week of the , ended November 13, are ited at 30,479 long tons, the Cocoa Marketing Board This brings total main crop ases this season to 165,879 ons.

U.K. agrees to contribute to tin buffer stock

BY JOHN EDWARDS, COMMODITIES EDITOR

BRITAIN YESTERDAY set an important precedent in signing the Fifth International Tin Agreement, and agreeing to make a financial contribution to the buffer stock.

Under the terms of the new Tin Agreement, due to come into force next July, provision is made for consumer countries to contribute on a voluntary basis to a buffer stock, equivalent to 20,000 tonnes of tin, in addition to the 20,000 tonnes buffer stock financed by compulsory contributions from producing countries.

When the new Agreement was negotiated in Geneva, there was considerable dissatisfaction among producing countries over the proposal that buffer stock contributions from consumers should be only on a voluntary basis.

It was argued that the buffer stock, which attempts to control market prices by buying and selling, benefits both consumers and producers. Although countries like France, the Netherlands and Belgium have agreed to voluntary contributions, there have been considerable doubts about the attitude of other consumers including Britain.

These doubts have now been effectively removed by Britain's prompt action in being one of the first countries to sign the new Agreement and committing itself to making a voluntary buffer stock contribution. The size of the contribution has yet to be decided, since it is not known yet how many consumer countries will join the new Agreement.

The biggest question mark is over the attitude of the U.S. Congress in backing its Government's pledge to join the Agreement for the first time.

Standby credit

Britain's decision is in line with the initiative taken by Mr. Harold Wilson, the Prime Minister, in trying to stabilise commodity prices by agreements between producers and consumers.

Britain's move was warmly welcomed at the special meeting of the International Tin Council in London yesterday, which unanimously approved a standby credit of £20m. to increase the resources of the buffer stock. This is in addition to the existing standby credit of £16m. over and above normal contributions to the buffer stock.

The prospect of further funds for the buffer stock, provisionally authorised by the heads of delegations last week, has already helped to halt the recent decline in tin values.

The Straits tin price rose again over the week-end by $M4, to over $M964, although London had expected a bigger rise.

In addition, there was an increase in London Metal Exchange warehouse stocks of 285 tonnes, to a total of 6,055 tonnes.

But the fall in the value of sterling against the dollar gave a generally firmer tone to all metals. Cash tin ended the day marginally higher, up by £5 to £3,087.5 a tonne.

A rise of 8,600 tonnes in copper stocks, increasing the total to 472,475 tonnes, was rather more than generally expected. But the easier opening trend in prices was later reversed by the weakness of sterling.

A three-day Ministerial meeting of the Council of Copper Exporting Countries (Cipec) opened in Lima, Peru, yesterday but no developments are expected to emerge until Wednesday at the earliest.

A Reuter report suggested that one result might be direct talks between Cipec countries and the EEC, if proposals to establish closer liaison with consumers were agreed.

There was an unexpected fall in LME warehouse stocks of lead, down by 150 to 81,750 tonnes. Zinc stocks rose by 2,525, to 64,550 tonnes, while LME silver holdings declined by 70,000, to 17,040,000 ounces.

Sahara phosphate mine may close

BY JAMES BUXTON

THE SPANISH withdrawal from Spanish Sahara, which is expected to lead to its hand-over early next year to Morocco and Mauritania, will result in the closure of the territory's Bu Craa phosphate mine for at least two years, according to sources closely connected with the phosphate industry.

The withdrawal would also aid Morocco in continuing to obtain the price it had recently been receiving for its own phosphate. It was claimed that this was $10 less than its posted price of $68 a ton.

According to Dynachim, the French research organisation which recently produced Phosreport, a detailed analysis of the world phosphate market, Spain agreed last week that ownership of the Bu Craa mine should be divided between Spain, Morocco and Mauritania in proportions of 60, 30 and 10 per cent.

In practice, this means that Morocco—which will take over the part of the territory in which Bu Craa lies—will be able to control the phosphate reserves. Spain says there are estimated at 1.7bn. tons, but Morocco puts them at a much higher level.

The mine, says Dynachim, has already largely ceased production because of the withdrawal of Spanish technical personnel and because of the disturbance caused by the Moroccan march to "recover" the territory.

It has long been thought that King Hassan's main objective in Spanish Sahara was to obtain the phosphate mine and, at least temporarily, put it out of production.

Big discount

Morocco, the sources say, has already offered to sell 1m. to 1.5m. tons of phosphate at a big discount to one of the leading customers of Bu Craa, the Spanish company, Fertilisantes Espanores, resulting in a price of between $35 to $40.

Although Spanish Saharan phosphate has a posted price of $78, Dynachim claims that the highest price actually obtained in recent months is $58.

Similarly Morocco, which claims a posted price of $68, is in practice obtaining not more than $58 in European sales. In contracts involving Moroccan repurchase of phosphoric acid and phosphate fertiliser, Morocco is actually obtaining only $42, and in exchange for ammonia, Morocco has been getting only $35 in the European market.

Bu Craa was originally expected to produce 5m. tons of phosphate this year, but because of production hold-ups and sabotage by guerillas of the 60-mile conveyor linking the mine with the coast, output will not be more than about 3.5m. tons. The eventual output of the mine has been estimated at 10m. tons a year.

Dynachim claims that Moroccan output this year will be 17m. tons, of which only 10m. tons will be exported and the rest stored. Last year Morocco exported 20m. tons.

Cut in U.K. grain crop forecast

By Peter Bullen

THE U.K. GRAIN harvest was officially forecast yesterday at just over 13½m. tons — about ½m. tons less than had been predicted in earlier crop reports.

In its end of harvest estimates of yields per acre, the Ministry of Agriculture says the expected wheat yield has fallen from 34.6 cwts an acre a month ago, to 33.9 (and almost 5 cwts below last year's 38.8 cwts); barley was down from 28 to 26.8 cwts (31.3 cwts last year) and oats down from 29 to 27.8 (31.5).

On the basis of these figures, the Home Grown Cereals Authority calculates that the U.K. wheat crop will be 4,362,000 tons; barley 8,272,000 tons, oats 804,000 tons; other grains 150,000 tons, giving a total harvest of 13,588,000. This compares with the 14m. tons expected a month ago and last year's record of 16m. tons.

One major consolation in the Ministry's monthly report, however, is that the recent fine weather has enabled almost all autumn sowing of cereals to be completed. Cultivations for spring crops are also well advanced.

Bigger wheat crop forecast for Turkey

WASHINGTON, Nov. 17.

TURKEY'S WHEAT production is estimated by U.S. sources at 11.5m. tonnes in 1975-76, against 8.2m. tonnes last season, according to a U.S. Agriculture Department report from Ankara.

U.S. sources in Buenos Aires, meanwhile, now estimate Argentina's 1975-76 wheat output at 8.4m. tonnes, compared with their earlier estimate of 7.4m., and production in 1974-75 of 5.75m. tonnes.

Reuter

S. Africa goes ahead with iron ore plant

PRETORIA, Nov. 17.

SOUTH AFRICA has decided to proceed with building a plant to process iron ore for export at Saldanha, said Mr. J. C. Heunis, Economic Affairs Minister.

The R1,300m. project to produce 3m. tons of semis a year should earn R350m. or more in foreign exchange, he said.

Reuter

FAMINE AREAS

Subsistence farming may yield results

BY DAVID CAMPBELL

IN THE WORLD of international food politics it is easy to be misled into thinking that the fate of the hungry millions depends on the efforts of an assortment of politicians and diplomats jetting from one conference to another.

They do have a crucial part to play. But it should not be forgotten that a great deal more could be done in most developing countries without either the assistance of the international community, or the spending of astronomical sums of money.

The fact is that subsistence farming, unfashionable though it is, is not a dead horse. It has enormous potential provided the hard-pressed and undernourished cultivators are given consistent and sympathetic help. What is more, it can yield results quickly, unlike many of the grandiose schemes of ambitious politicians and agriculturalists—often seduced by thoughts of flowering deserts and farming, with a mere handful of men, great tracts of land which were once the home of countless, indolent and fatalistic peasants.

Monsoon

This is my over-riding impression from travelling this year through several of the world's worst hit famine areas, and especially the drought belt of Orissa in eastern India where I stayed for five weeks.

In this area the monsoon has failed eight times in the past 10 years. Last year was the worst: rainfall amounted to no more than 30 inches compared to 63 inches in 1967 which was the last good monsoon.

On the driest land as much as 88 per cent. of the rice crop was destroyed. Losses were less on the low lying land that could benefit from what water remained in the tanks (reservoirs) which were still as high as 60 per cent. The following dry season crops such as millet and certain vegetables were a total write-off.

After so many bad years the community was already at a low ebb. The failure of the 1974 harvest came as a shattering blow. The larger farmers sold the rest of their gold and laid off as many men as they could; the smaller farmers went hungry, and some of those with no land or jobs starved to death.

If it had not been for a relief programme providing work and food launched by the local mission, famine would have struck the area.

There would have been no need for the relief programme and the Government relief efforts in other areas, if the Government had taken action when it became obvious some years ago that the climate had changed and was no longer in harmony with the traditional system of cropping. Instead it did little but talk. And it is still talking.

A number of small rivers flow through the area but none of these has been fully exploited. Cultivators must rely entirely on the unreliable monsoon, a proportion of which they can hold back in tanks while the rest sweeps out into the Bay of Bengal taking much good top soil with it. There is scope for more tube wells but there is thought to be insufficient water in reserve for these to provide irrigation on any scale.

Few farmers grow anything but rice during the rains. However, rice is a notoriously thirsty crop and is only suitable where water can be held in the terraced fields. On the higher land it will only grow well when the rains are good. Millet or sorghum are far more suitable. But apart from a few token demonstration plots in the villages, there is little evidence of a concerted drive to persuade farmers to change to these crops.

Improved varieties of rice have been introduced which held out the hope of yields over the traditional 25 cwt an acre on good land. But they need fertiliser at rates which none of the cultivators I met could possibly afford. It is true that the Government give fertiliser grants to farmers who switch to new varieties, but these are only paid for the first year.

Land reform measures, which put a ceiling on holdings ranging from 10 acres to 45 acres depending on the quality of the land, were introduced in 1973. If these had been enforced straight away the number of landless people—and it is these who have suffered most over the past few years—would have been sharply reduced. The State of Emergency declared earlier this year by Mrs. Indira Gandhi, India's Prime Minister, may stir officials into action. Unfortunately however, it is not just a matter of lethargy. Bribery is enough to make many officials turn a blind eye to holdings which exceed the ceiling, and there would seem to be little reason for this state of affairs to change.

Loan scheme

In July it became obvious—even to the Government—that many farmers did not have enough seed: in short they had eaten it. Eventually, when it was almost too late, the Government announced a seed loan scheme. However, farmers who had not paid back existing loans were not eligible.

This effectively excluded almost everyone in the area because few had been able to make any money for some years. Again, the local mission stepped in with its own loan scheme. Most of the land in the area in which I stayed was finally sowed, and with a better monsoon—40 inches had fallen by the end of September—higher yields than last year are expected.

A vigorous advisory service backed, of course, by a Government which was determined to develop the area for the people who lived there, could make an enormous impact.

Rubber price talks delayed

KUALA LUMPUR, Nov. 17.

THE ASSOCIATION of Natural Rubber Producing Countries (ANRPC) had postponed its planned price stabilisation and buffer stock talks in Bangkok this week because of recent flooding there, Association sources said.

The talks — already put off once before, in September—are now likely to be held next month.

An agreement in principle, reached by May 5, was originally due to be formalised and signed by August.

But an ANRPC statement said several matters of importance still remained to be settled after a sub-committee meeting in August. Some sources said the member countries seemed to be further from agreement than they were in May.

Reuter

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Edged upwards on the London Metal Exchange. Prices were a little [illegible] in early trading with forward [illegible] easing to £595 owing to modest [illegible] prompted by the larger than [illegible] rise in the already record warehouse stocks figure. Fresh speculative [illegible] was seen at the lower levels following the renewed weakness of sterling against the dollar and this, later coupled with arbitrage buying, rallied forward metal to £599 by the close of the afternoon Kerb. Turnover, 8,[illegible] tonnes.

Amalgamated Metal Corporation reported that in the morning cash wirebars traded at £575, 75.5, 78; three months £596, 98 to 97. Cathodes: Cash £563; three months £584. Kerbs: Bars: three months £597, 97.5. Cathodes: Cash [illegible]

[illegible]

to £3,150 by the close of the afternoon Kerb. Turnover 715 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	3070 2	+25.5	3085-90	+5
3 months	3128 30	+25	3148-9	+11
S'ment	3072	+28	—	......
Standard				
Cash	3070 2	+25.5	3085-90	+5
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

a fair amount of early business to be covered brokers expect some improvement in the next few days.

Grain bookings included Great Lakes to Poland at $20.50 f.i.o., completing St. Lawrence $13.50 for Dec. and from U.S. Gulf to Antwerp/Rotterdam or Amsterdam at $8.75 f.i.o. for Nov./Dec., also from British Columbia to Japan at $13 f.i.o. for Nov.

In the coal section business developed [illegible]

[illegible] Nov. £64, Dec. £64.50; Denaturable Nov. £63.50, Dec. £63.75. Barley feed Dec. £63.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, steady. Close: Nov. 62.30, Jan. 64.10, March 65.50, May 67.40, Sept. 68.45. Business: Nov. 63.40-62.25, Jan. 64.25-64.05, March 66.05-65.55, May 67.50-67.45, Sept. 68.55-68.40. Barley, steady. Close: Nov. 60.40, Jan. 62.25, March 64.45, May 65.55, Sept. 64.85. [illegible]

[illegible]

November 17: U.K.—Cattle £20.81 per live cwt (+0.48), Sheep 38.2p per lb.e.d.c.w. (+1.2), Pigs £5.15 per sc.l.w. (+0.08); England and Wales—Cattle numbers down 11.4 per cent., average price £20.97 (+0.54), Sheep up 0.5, 38.6p (+1.2), Pigs down 3.0, £5.15 (+0.08); Scotland—Cattle down 12.9, £22.34 (+0.38), Sheep up 32.6, 37.0p (+1.5p), Pigs up 12.1 per cent, £5.06 (+0.17).

[illegible]

COFFEE

[illegible]

RUBBER

[illegible]

SILVER

[illegible]

COCOA

[illegible]

FREIGHTS

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

SOYABEAN MEAL

[illegible]

GRAINS

[illegible]

MEAT/VEGETABLES

[illegible]

JUTE

[illegible]

PRICE CHANGES

Prices per ton unless otherwise stated.

	Nov. 17 1975	+ or —	Month ago
Metals			
Aluminium (w)	£396	....	£396
Free Market cif	£505-520	....	£525-555
Copper‡			
Cash Wire Bars w	£578	+2.75	£566
3 months do. do. w	£598.75	+5.5	£585.75
Cash Cathode (w)	£564.75	+5.5	£5 2.75
3 months do. (w)	£585.25	+5.75	£573.75
Gold........Troy oz.	$141.75	—0.25	$145.25
Lead Cash (w)	£164.625	+0.5	£156.25
3 months (w)	£171.625	+0.5	£175.625
Nickel (w)	£2,581	....	£2,347.5
Free market cif (lb)	$1.8-1.9	....	$1.81-1.9
Platinum troy oz.	£75½-80½	....	£76½-81½
Free Market	£70.9	—0.4	£70.7
Quicksilver(76lb)(e)	$80-95	....	$100-105
Silver Troy oz.	212.3p	—1.1	211.1p
3 months	218.9	—1.1	217.8p
Tin Cash (w) ♣	£3087.5	+5	£3 085
3 months (w)	£3,148.5	+11	£3,122.5
Wolfram 22.04lb.cif	£42-43.5	+0.25	£41-45
Zinc Cash (w) ♣	£345.75	+1	£341.75
3 months (w)	£357.5	+1	£352.875
Producers (w)	£390	....	£390
Oils			
Coconut Malayan	‡	....	‡
Groundnut			
5%	£400	....	£440
Linseed Crude (w)	£400	....	£395
Palm Malayan (x)	£188	....	£200
Soyabean (w)	‡	....	‡
Seeds			
Copra Philipp ton	$197.5	....	$212
Gr'nuts Nigerian	‡	....	‡
Linseed Can No.1	£151.25	....	£159
Grains			
Barley EEC	†	....	£55.5
Home Futures	£60.40	+0.4	£53.5
Maize			
French No. 3 Am.	£65.25	....	£66.25
S.A. Yellow	£71.5	....	‡
Wheat			
No. 1 Red Spring	‡	....	‡
No. 2 Hard Winter	‡	....	‡
Australian(f.a.q.)	‡	....	‡
English Milling	£64.5	+0.5	£68.0
Cocoa Shipment (x)	£649.5	—13	£684
futures March	£612.75	—12.5	£628.25
Coffee Shipment (c)	‡	....	72.5
futures Jan.(x)	£705	—0.5	£745.5
Cotton 'A' Index			
cent	56.15	—0.05	55.8
Jute LJABWC (d)	£195	....	£196
Rubber ....kilo	33.75	+0.75	32.75p
Sisal EASL (w)	$600	....	$600
Sugar (Raw)	£152	—3.0	£161
Wooltops 64s....kilo	202p	....	198p
Cloves (Madagascar)	£2,550	—50	£2,600
Pepper White...ton	£920	....	£940
Black...ton	£715	....	£740

* Nominal. † Seller. § Unofficial close. ♣ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." ‡ Unquoted. a Seller's quotation. h Nov. w Metric tons. r September. v Aug.-Oct. t Nov. w Nov.-Jan.

FINANCIAL TIMES

Nov. 17	Nov. 13	Month ago	Year ago
169.70	169.27	175.02	190.33

(Base: July 1, 1952=100)

REUTER'S

Nov. 17	Nov. 14	Month ago	Year ago
1128.8	1125.8	1141.4	1238.4

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	Nov. 17	Nov. 14	Month Ago	Year ago
Spot	287.12	286.42	300.20	435.49
Futures	277.22	276.96	284.35	416.93

(Average 1924-25-26=100)

MOODY'S

Moody's	Nov. 17	Nov. 14	Month ago	Year ago
SpleCommty	740.3	741.9	773.7	988.8

(Dec. 31, 1931=100)

LIVERPOOL COTTON—Spot and shipment sales in Liverpool amounted to 618 tonnes. Improved demand brought extensive operations in Turkish and Russian qualities, while other Middle Eastern varieties made steady progress. Central and Latin American growths were in persistent request, F. W. Tattersall reports.

U.S. Markets

Gold sales report lifts precious metals

PRECIOUS metal futures closed sharply lower following unconfirmed reports of additional U.S. Treasury gold sales. Cocoa, copper and sugar continued to ease under the weight of speculative liquidation, while coffee closed mixed on speculative and trade activity. Grain futures also finished mixed as maize and soyabeans closed lower, while wheat ended the session higher on trade support, Bache reports.

Cocoa—Ghana spot 60. Bahia spot 60. Dec. 57.35 (57.60), March 53.85 (54.15), May 52.10, July 50.97, Sept. 49.98, Dec. 49.07, March 48.62. Sales 1,017.

Coffee—Nov. 75.00-76.80 (74.80), Dec. 76.50-76.80 (76.70), March 77.20-77.35, May 77.60-77.75, July 78.30, Sept. 79.10-79.35. Sales 414.

Copper—Nov. 53.50 (54.70), Dec. 53.70 (54.79), Jan. 54.30, March 55.40, May 56.50. Sales 3,565 lots.

Cotton—Dec. 54.60-54.75 (53.87), March 56.20-56.30 (55.42), May 57.25, July 57.55-57.60, Oct. 56.90-57.00, Dec. 57.00, March 57.35-57.55, May 57.45 bid. Sales 4,000.

ΦGold—Nov. 139.00 (141.10), Dec. 139.30 (141.60), Jan. 140.00, Feb. 140.80, April 142.60, June 144.40, August 146.30, Oct. 148.20, Dec. 150.10, Feb. 151.90. Sales 2,018.

Greasewool—Spot 158.5 nom. (159.5 nom.), Dec. 154.0-163.0 (155.0), March 150.0-158.0 (150.0), May 150.0 bid, July 149.4-153.0, Oct. 146.4-150.0, Dec. 145.0-151.5, March 145.0-153.0.

†Lard—Chicago loose 21 asked (22 asked). NY prime steam 22½ nom. (22½ nom.).

††Maize — Dec. 265½-265¾ (265½-265), March 272½-273 (273-272¾), May 277-277½, July 279-279½, Sept. 272½, Dec. 264½, March 271½ nom.

‡Platinum—Jan. 144.50 (148.40), April 147.80 (152.30), July 151.50-151.60, Oct. 155.70, Jan. 159.50-159.70, April 163.50-163.70. Sales 326.

‡‡Silver—Spot 434.50 (438.00). Nov. 428.80 (436.10), Dec. 430.00 (439.60), Jan. 433.10, March 440.50, May 448.00, July 455.50, Sept. 462.80, Dec. 473.70, Jan. 477.20, March 484.40. Sales 9,783.

*Soyabeans—Nov. 473½-474½ (479½), Jan. 479-480 (485½), March 489½-489, May 497½-498, July 504-503, August 504, Sept. 505, Nov. 510, Jan. 520-519½.

bSoyabean Meal—Dec. 126.80-127.00 (127.70), Jan. 128.40 (129.20), March 131.50.

Soyabean Oil—Dec. 18.60-18.75 (19.05), Jan. 18.55-18.65 (18.88), March 18.50-18.55, May 18.50-18.50, July 18.45, August 18.45, Sept. 18.35, Oct. 18.40.

Sugar—Spot 12.80 (12.90). Jan. 13.08 nom. (13.56), March 13.12-13.05 (13.57), May 13.15-13.14, July 13.26-13.20, Sept. 13.30-13.20, Oct. 13.30-13.22, March 13.25. Sales 4,191.

Tin—293.00-310.00 asked (293.00-358.00 asked).

**Wheat—Dec. 352-351 (351-352½), March 364½-358½ (363-364), May 370½-371, July 369, Sept. 378.

WINNIPEG, Nov. 17. ††Rye—Dec. 241½ (242½ bid), May 251½ asked (251½ asked), July 243 nom.

cOats—Dec 156 bid (156½), May 151 asked (151½ bid), July 148½ nom.

§Barley—Dec. 232½ (235½ bid), May 230 (232½ asked), July 228 nom.

dFlaxseed—Nov. 645 bid (650 asked), Dec. 647 (670 asked), May 660 asked, July 663 asked.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 525½ (534½).

All cents per pound ex-warehouse unless otherwise stated. *Cents per 60-lb bushel ex-warehouse. Φ $'s per troy ounce—100-ounce lots. †Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡‡ Cents per troy ounce ex-warehouse. b New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. ‡ $'s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. ** Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. c Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

STOCK EXCHANGE REPORT

Equities start the new Account with a show of strength

Share index up 9.9 at year's peak of 375.5—Reaction in Golds

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Nov. 3	Nov. 13	Nov. 14	Nov. 25
Nov. 17	Nov. 27	Nov. 28	Dec. 9
Dec. 1	Dec. 11	Dec. 12	Dec. 23

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Equity markets began the new Account with a flourish yesterday. Leading Industrials closed at fresh peaks for the year in index terms, while selected second-line stocks enjoyed a fair measure of support.

After a cautious start, a good demand *developed for the leaders* and by mid-day the FT 30-share index was showing a rise of 9 points. Trading in the afternoon session became more two-way, but with buyers still in command during the final dealings, the index closed at the day's best with a rise of *9.9 at 375.5*.

In contrast, British Funds were virtually left out of the picture. Mediums and Longs were rarely altered, while short-dated stocks ended with irregular movements, following a selective trade. The Government Securities index hardened 0.02 to 58.59.

Overall, it was an active day's trading; official markings of 8,287 compared with 7,757 last Friday and 7,837 a week ago. Week-end Press mention met with a ready response, while a fairly lengthy list of company news created a considerable amount of *interest*. The broad nature of the day's improvement was reflected in the 4-1 ratio of rises over falls in FT-quoted Industrials and the rise of 1.9 per cent. to 158.98, also a fresh peak for the year, in the FT-Actuaries All-Share index.

Gilts basically firm

While there was a generally firm underlying trend in British Funds, business was confined largely to the short/medium "tap" and recognised early maturities. Switching from high-coupon shorts into the "tap" produced dullness in the former and caused the Government broker to raise his price again for supplies of the stock, Treasury 11½ per cent., 1981, which will be quoted clean to-day. Investment recommendations inspired demand for Treasury 3 per cent., 1979, and in a market showing signs of a stock shortage the price rose ¾ to 81¾. Other low-coupon issues moved higher but mediums/longs were only marginally better in places despite indications that the Government broker was seeking a *higher price for long "tap"*, Treasury 12¾ per cent., 1992, supplies. Longer-dated Southern Rhodesia bonds were bought and gained four points occasionally; the 6 per cent., 1978/81, rose that much to £50.

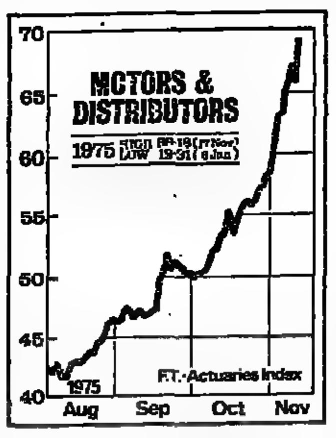
Moderate demand released by *non-resident activities in South* African Gold shares initially took the investment currency premium up to 109¾ per cent., but when interest faltered rates slipped back and the close was only a net ¼ higher at 108¾ per cent. Otis Elevator were suspended in line with New York with the price here at £35½. Yesterday's SE conversion factor was 0.6098 (0.6055).

Banks better

Neglected a little of late in the general market upturn, the big four Banks started *the new* Account in fine style yesterday and, following a much improved business, Midland closed 10 higher at a 1975 peak of 308p, while Barclays, 315p, and Lloyds, 245p, both improved 7. National Westminster, 252p, also rallied 7 after last week's dullness which followed the placing of its 8 per cent. shareholding in Standard and Chartered (unaltered at 480p). Guinness Peat returned to prominence in Merchant banks, attracting fresh investment support and closing 9 dearer at 187p.

In Hire Purchases, UDT edged *forward* a penny at 15p following Press comment.

Sentiment in Composite Insurances was soured a little by the disappointing third-quarter figures from Commercial Union, which sustained a total underwriting loss of £46m. CU finished 11½ down at 138½p, but "Royals," which report third-quarter figures



to-day, improved 6 at 320p. Lloyd's Brokers had an outstanding firm spot in C. E. Heath, which added 17 to 282p, after 285p, on buying in front of to-day's interim results.

Breweries contributed to the firm market trend. Arthur Guinness improved 3 to 138p as did Scottish and Newcastle to 63p. Elsewhere, Distillers put on 3½ to 127p and H.P. Bulmer rose 4 to 83p, the latter being helped by Press comment.

Redland rose 8 more to 104p following Press comment on the interim figures. London Brick were similarly influenced at 63p, up 4, while Tunnel "B," 183p, R. Costain, 228p, and A. P. Cement, 195p, all closed around 8 higher. Marchwiel, ahead of Thursday's interim figures, improved 6 to 120p. Higher first-half profits took F. C. Construction up 5 to 45p, while other firm spots included Tarmac, up 6 at 174p, and International Paint, 7 higher at 215p. Ibstock Johnsen were called 3½ cheaper at 94p ex the "rights" issue, while the new nil-paid shares opened at 33p and closed at 34p premium.

ICI improved 7 to a 1975 peak of 320p. Stewart Plastics featured with a jump of 19 to 92p on news that Sowater (4 down at 109p) had made a bid approach.

Grampian "A" moved up 5 to 24p in Television Contractors where Trident "A," 28½p, and ATV "A," 68p, put on 2½ and 3 respectively.

Elect. leaders good

Electrical leaders attracted a good investment demand and closed with rises to 8½, as in EMI, 228p xd. GEC, 145p, and Plessey, 77p, scored improvements of 3 apiece, while Reyrolle Parsons put on 4 to 77p and Thorn Electrical closed 6 firmer at 216p, after 218p. BICC recouped 3 at 126p following recent dullness on the company's curtailment of its involvement with the Anglesey Aluminium project at a cost of some £5m. Decca "A" moved ahead 9 to a peak for the year of 237p, while the profits expansion left Muirhead 5 higher at 80p. After closing just 2 harder last Friday on the half-time results, Chloride rose 6 to 112p with the aid of Press comment. Fidelity Radio improved 5 to 57p and Westinghouse Brake 3½ to 36½p.

Stores had several firm spots. UDS moved up 3 to 89p, while "Gussies" "A", 194p, and Marks and Spencer, 108p, put on 4 apiece. Debenhams were also popular, the Ordinary rising 4 to 80p and the new nil-paid shares improving 3 to 30p premium. Among secondary issues, Thomas Marshall Investments responded to the higher first-half profits with a rise of 4 to 56p. Lincroft Kilgour hardened 3½ to 36½p with the help of Press comment, while Custo-magic closed 1½ firmer at 13p xd following news that a substantial block of the company's shares had changed hands. Cantors "A", however, finished 1½ cheaper at 23p ex the scrip issue. In Mail Orders, MFI Warehouses hardened 3 to 31p and Grattan Warehouses gained 5 to 95p.

Unanimous firmness in Engineerings produced gains to 6 in both leaders and second-line issues. GKN, 253p, Hawker, 332p, and Vickers, 146p xd, all rose that much, while Glynwed were similarly better at 105p. Improvements of 5 were recorded by Dunford and Elliott, 43p, and GEI International, 53p, the latter ahead of to-day's interim results. Newspaper mention lifted Fairey 3½ more to 82½p, Head Wrightson 3½ to 40½p xd and Redman Heenan 3 to 15p, while news items raised RCF 2½ to 28p and United Engineering 1 to 24p. The cash offer of 7.02p from Central and Sheerwood failed to alter Trianco, at 7½p. Among smaller-priced stocks, Wolverhampton Die jumped 4 to 12p. Shipbuildings also went higher, Swan Hunter gaining 4 to 56p and Robb-Caledon 3 to 40p, after 42p.

Associated British featured Foods, rising 3½ to a 1975 peak of 69½ on the better-than-expected interim figures. J. Sainsbury were raised 8½ to 145p xd, while Cavenham, 128p, and Tate and Lyle, 261p, put on 4 and 5 respectively. Bejam called 6½ higher at 74p ex the scrip issue. Other firm spots included J. B. Eastwood, up 4 at 59p, and Clover Dairies, 6 to the good at 81p. Supermarkets made headway with Wheatsheaf Distribution 6 higher at 166p. Kwik Save Discount were quoted ex "rights" at 137p, up 4½, while the new nil-paid share opened at 124½p and closed at 120p premium after a quiet trade.

J. Lyons 'A' at 180p, regained Friday's fall of 5. Savoy Hotel 'A' hardened 2 to 23p.

Metal Box rise

After rallying to 262p, Metal Box were lowered to 258p on the worse-than-expected half-year profits setback, but subsequently moved ahead to close a net 9 up at 268p on the company's encouraging remarks on second-half prospects. Other miscellaneous Industrial leaders mainly improved on renewed investment buying. Unilever rose 14 to 420p xd, while gains of 8 were secured by Rank Organisation "A," 173p, and Glaxo, 353p. Beecham, awaiting Thursday's interim results, closed 5 up at 324p, after 326p, while Boots, after recent dullness on the half-year results, picked up 4 to 138p xd. Elsewhere, Press comment prompted rises of 9 and 6 respectively in Hoover "A," 322p, and Croydex Rubber, 116p, and left B. Fertleman 4 better at 33p. Wedgwood rose 7 to 207p *ahead of Friday's interim figures*. Similar improvements occurred in White Child and Beney, 47p, Plastic Constructions, 57p, and Gestetner "A," 164p, while Stonehill gained 6 more at 91p. Staffordshire Potteries followed the full report with a gain of 6 at 103p xd.

Components were particularly favoured in a strong Motor and Distributor section following Press comment. Lucas Industries advanced afresh to 177p xd, up 9, while Associated Engineering, 79p, and Wilmot-Breeden, 37½p, both closed around 4 better. Elsewhere, Rolls-Royce improved 3½ to 70p with the help of a Press mention. British Leyland picked up 6 at 33p, while Commercial Vehicles had Crane Fruehauf 4 better at 17p and Fodens 7 higher at 30p. Small buying in thin markets left Garages widely better. Godfrey Davis finished 3 up at 42p after the half-yearly report. Lex Service hardened 2¼ to 23¼p.

Beaverbrook "A" stood out again in otherwise marginally firmer Newspapers, recovering 3½ more to 41p xd. Paper/Printings contained little of note apart from Dolan Packaging, which rose 3 to 48p. Elsewhere, comment that Christmas Card manufacturers could be due for a re-rating lifted W. N. Sharpe 2 to 43p and Wilson Bros. ½ to 15p.

The tone became generally much steadier in the Property leaders following last Friday's unsettlement on liquidity fears. Down 6 over the two previous businessdays, Amalgamated Investment and Property eased further to 11½p before improving to end 1½ better on the day at 14p; the outcome of to-day's annual meeting is anxiously awaited. Land Securities, ahead of Thursday's half-time results, picked up 3 to 170p, while Town and City Properties rallied a penny to 15p. MEPC, however, closed 2 lower at 55p, after touching a fresh low for the year of 53p; the preliminary results are expected December 18. Elsewhere, A. J. Mucklow were noteworthy for a rise of 10 to 145p, while Barratt Developments firmed 3 to 124p. The increased annual loss left Gilgate a penny down at 7p, and *Estates and Agency similarly* easier at 20p, the latter following the half-time figure.

Shell touch 1975 peak

A broad advance in Oils was mainly a reflection of the general trend and Shell established a new peak for the year of 388p before closing a net 8 up at 386p. British Petroleum also closed below the best of 590p, after 595p, for a net gain of 7, while Ultramar picked up 4 to 214p. Berry Wiggins went ex the "rights" issue with the old shares at 59p, a rise of 7, while the new nil-paid opened at 31p premium and in a fair trade touched 27p premium prior to closing at 26p premium.

Lonrho were prominently better on Press comment in Overseas Traders at 124p, up 9.

The current increase in stock market activity helped stockjobbers Akroyd and Smithers and Smith Bros. rise 10 and 5 respectively to 198p and 58p. Dalgety *hardened 6 at 217p*, while demand in front of to-day's interim results left Caledonia Investments 8 higher at 168p.

A very good business was transacted in Shippings, which closed firmer for choice. Ahead of to-day's interim figures, British and Commonwealth attracted buyers and rose 7 to 197p, while Ocean Transport, 137p and P & O Deferred, 112p, hardened 3½ and 4 respectively.

With sentiment still soured by last week's disappointing first-half *figures and the Board's bearish* remarks about second-half prospects, Courtaulds failed to take part in the general market upsurge and, after touching 144p, eased back to close unaltered on the day at 142p xd. Elsewhere in firm Textiles, S. Jerome rose 5 to 36p and Coats Patons put on 4 at 63½p xd.

Imps stood out in Tobaccos, rising 3½ to 81½p, after 82p, following news of the increases in cigarette and tobacco prices. Bats gained 10 to 335p in sympathy.

Golds down again

South African Gold shares were unsettled by the continuing political uncertainties concerning the Angola-South West Africa political situation and lost ground for the seventh trading day running. Also affecting sentiment was the lower trend in tr atlantic share markets on Fri

Jobbers marked down price the opening and Cape and U.S. selling left Golds at t lowest levels at the close. Gold Mines *index retreated* to 239.5, its lowest since Octob Bullion, however, was only cents easier at $141.75 per ou

Press comment forecasting lo December dividends for marginal gold producers Durban Deep 70 down at a ye low of 260p, after 250p, and Rand Proprietary 35 lower 585p. Marievale and "Salt were 15 and 40 respectively to worse at the common price 190p.

In the heavyweight issues Driefontein fell 1¼ to £37 St. Helena fell 1 to £21¼.

Financials were mixed. Cha Consolidated rose 7 to 177p; half-year results are due to Gold Fields hardened to 217 front of to-day's meeting. P comment raised Rio Tinto-Zin to 185p xd. The weakness Golds was reflected in A American, 4 easier at 330p, Union Corporation, which los at 400p. Platinums were ea with Cape selling leaving gietersrust 6 down at 180p.

In Coppers RCM were a feat losing 30 to 170p after 150p U.S. selling following the ch man's comment on "ser financial difficulties." Minerco lost ground, with Cape offer leaving the shares 12 lower 102p.

Australians were lower in with overnight markets in Syd and Melbourne. Coal stocks particularly weak with Th Holdings falling 20 to 280p Oakbridge 5 lower at 81p.

Tins were generally firme quiet trading. Elsewhere, solidated Murchison, a firm ma of late, dropped 70 to 740p profit-taking.

FINANCIAL TIMES STOCK INDICES

—	Nov. 17	Nov. 14	Nov. 13	Nov. 12	Nov. 11	Nov. 10	A year ago
Government Secs.	58.59	58.57	58.60	58.63	58.52	58.51	51.5
Fixed Interest	58.87	59.05	59.20	59.25	59.15	59.12	51.5
Industrial Ordinary	375.5	365.6	366.4	371.8	370.2	367.4	174.
Gold Mines	239.5	251.7	260.5	263.8	265.2	265.5	407.
Ord. Div. Yield %	5.66	5.79	5.78	5.70	5.73	5.78	11.4
Earnings Yld % (full) (a)	15.71	16.08	16.32	16.09	15.82	15.96	31.
P/E Ratio (net) (a) (b)	9.27	9.05	8.91	8.93	9.00	8.92	4.4
Dealings marked	8,287	7,757	8,241	8,627	8,698	7,857	6,46
Equity turnover £m	—	70.45	115.31	81.51	75.10	67.62	40.3
Equity bargains total	—	19,269	18,198	19,873	19,798	19,512	12,69

10 a.m. 368.3. 11 a.m. 372.5. Noon 374.6. 1 p.m. 374.8. 2 p.m. 375.1. 3 p.m. 374.8.

Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=9.19.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.34 (20/5)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.31 (21/5)	50.53 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	375.5 (17/11)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5)	231.6 (6/10)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	Nov. 17	Nov. 14
Daily—		
Gilt-Edged	179.8	177.9
Industrials	310.2	282.6
Speculative	48.1	51.1
Totals	188.6	176.6
5-day Av'rge		
Gilt-Edged	183.2	183.4
Industrials	309.6	305.5
Speculative	55.2	54.4
Totals	189.4	187.4

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section.	Mon. Nov. 17, 1975 Index No.	Day's Change %	Est. Earnings Yield % (Max) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Friday Nov. 14 Index No.	Thurs. Nov. 13 Index No.	Wed. Nov. 12 Index No.	Tuesday Nov. 11 Index No.	Year ago (approx.) Index No.	Highs and Lows Index 1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	140.25	+1.9	16.39	5.91	9.14	9.14	137.57	138.04	139.55	138.32	61.45	140.25 (17/11)	61.78 (6/1)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (30)	155.35	+2.8	13.19	5.08	11.58	11.57	151.66	151.99	155.77	152.78	56.25	155.35 (17/11)	46.11 (6/1)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	256.28	+1.4	14.56	3.73	10.35	10.35	252.86	254.57	257.42	255.73	82.24	257.42 (12/11)	74.74 (6/1)	389.53 (19/5/72)	71.48 (12/12/74)
4	Electricals (17)	247.20	+2.9	16.31	4.70	8.87	8.87	240.15	240.62	245.78	244.21	108.66	247.20 (17/11)	98.49 (2/1)	350.04 (4/5/72)	84.71 (25/6/62)
5	Engineering (Heavy) (13)	161.05	+1.6	20.27	7.57	7.52	7.52	158.59	157.60	158.75	157.87	82.25	161.05 (17/11)	64.39 (2/1)	202.57 (8/6/73)	64.39 (2/1/75)
6	Engineering (General) (63)	121.18	+1.4	18.09	6.91	8.27	8.27	119.47	120.07	120.89	119.54	55.82	121.18 (17/11)	45.45 (6/1)	168.69 (4/5/72)	45.45 (6/1/75)
7	Machine and Other Tools (9)	48.15	+1.4	17.13	8.73	10.55	10.55	47.48	47.50	47.36	48.22	24.04	48.98 (30/5)	20.11 (2/1)	136.70 (4/7/68)	19.86 (13/12/74)
8	Miscellaneous (24)	117.52	−0.1	16.16	6.75	8.21	8.21	117.64	118.16	118.48	117.01	65.16	121.76 (6/6)	49.65 (6/1)	177.41 (27/4/72)	49.63 (6/1/75)
9	CONSUMER GOODS (DURABLE) (56)	116.15	+3.2	15.93	5.34	9.45	9.45	112.55	112.62	115.36	114.77	46.40	116.15 (17/11)	38.39 (6/1)	227.78 (21/4/72)	38.39 (6/1/75)
10	Electronics, Radio TV etc. (15)	128.67	+2.8	14.69	4.16	10.16	10.16	125.16	125.57	129.75	129.70	48.66	131.94 (10/11)	44.28 (6/1)	257.41 (19/5/72)	43.85 (12/12/74)
11	Household Goods (14)	166.78	+1.3	14.34	6.29	10.21	10.18	164.65	165.42	165.27	165.02	74.52	166.78 (17/11)	64.85 (6/1)	263.32 (4/5/72)	65.92 (17/12/74)
12	Motors and Distributors (27)	69.18	+4.6	18.51	6.77	8.29	8.29	66.15	65.75	67.14	66.17	27.98	69.18 (17/11)	19.91 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	151.06	+2.2	13.07	5.71	11.26	11.16	147.86	148.26	151.61	150.49	69.36	151.61 (12/11)	61.98 (6/1)	226.08 (15/8/72)	61.41 (13/12/74)
14	Breweries (15)	171.15	+2.3	11.96	6.00	12.65	12.65	167.32	168.54	172.55	169.99	79.26	172.55 (12/11)	75.58 (6/1)	261.87 (29/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	157.02	+2.9	12.16	6.42	12.48	12.48	152.64	153.79	157.33	155.64	103.28	177.94 (9/7)	80.42 (6/1)	257.40 (13/7/72)	76.81 (12/12/74)
16	Entertainment, Catering (16)	181.87	+2.5	11.77	6.60	13.58	12.93	177.56	176.79	178.96	178.56	63.78	181.87 (17/11)	65.25 (6/1)	329.99 (12/12/72)	64.87 (19/7/74)
17	Food Manufacturing (22)	164.45	+2.1	13.00	4.91	10.61	10.57	161.06	162.03	165.79	164.44	62.28	165.79 (12/11)	62.03 (2/1)	211.66 (1/6/72)	59.78 (11/12/74)
18	Food Retailing (16)	152.12	+2.7	9.97	4.46	14.54	14.54	148.11	148.46	154.51	154.63	63.65	155.88 (10/11)	57.15 (2/1)	235.08 (15/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	158.17	+1.4	13.36	6.59	11.27	11.27	156.00	157.29	160.12	158.50	75.11	160.12 (12/11)	55.06 (6/1)	250.29 (18/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	97.89	+1.3	22.73	7.54	6.55	6.55	96.69	98.24	100.22	99.96	54.20	107.18 (20/5)	43.46 (6/1)	135.69 (28/4/72)	43.46 (6/1/75)
21	Stores (32)	128.08	+1.3	11.74	5.26	15.05	15.05	126.39	126.21	129.29	128.96	61.03	132.94 (24/10)	52.65 (6/1)	204.39 (18/8/72)	52.65 (6/1/75)
22	Textiles (23)	159.50	+1.1	16.24	6.78	8.58	8.01	157.70	158.14	162.56	160.81	69.26	162.56 (12/11)	62.91 (6/1)	253.72 (17/9/65)	62.66 (11/12/74)
23	Tobaccos (3)	216.67	+3.9	16.65	6.22	9.72	8.72	208.50	207.48	209.57	207.66	119.68	216.57 (17/11)	109.92 (6/1)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	62.82	+2.4	21.72	6.33	6.40	6.40	61.55	62.95	63.72	63.64	27.28	63.72 (12/11)	20.92 (6/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (93)															
25	Chemicals (24)	191.60	+2.2	14.55	5.01	9.65	9.64	187.44	187.95	190.99	187.53	81.54	191.60 (17/11)	75.14 (6/1)	201.92 (31/1/69)	71.90 (1/12/74)
26	Office Equipment (10)	90.65	+0.5	14.71	5.75	9.55	9.53	90.34	90.06	91.55	89.55	57.14	104.78 (17/4)	46.34 (3/1)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (12)	397.12	+2.3	19.45	6.09	6.60	6.35	388.07	390.22	393.56	390.05	250.49	401.64 (10/3)	194.38 (6/1)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (47)	155.49	+1.1	16.06	6.68	9.20	9.20	151.82	152.50	154.65	154.29	75.16	155.84 (7/11)	60.39 (6/1)	258.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	149.60	+2.1	14.59	5.72	10.05	9.98	146.58	146.99	149.59	148.30	68.05	149.60 (17/11)	59.19 (6/1)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	336.73	+1.7	14.94	4.78	7.47	8.69	331.16	331.19	332.68	335.23	124.56	336.73 (17/11)	105.84 (2/1)	461.65 (29/5/69)	87.23 (29/5/62)
31	500 SHARE INDEX	165.15	+2.0	14.64	5.57	9.52	9.25	161.92	162.30	164.83	163.83	72.86	165.15 (17/11)	65.49 (6/1)	227.95 (16/8/72)	65.49 (13/12/74)
32	FINANCIAL GROUP (100)	138.52	+1.5	—	5.16	—	—	136.19	137.36	138.65	138.00	58.59	148.45 (20/5)	56.50 (6/1)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	170.38	+2.4	17.26	4.70	8.87	8.87	166.46	166.85	169.45	168.74	65.45	177.11 (6/6)	62.56 (2/1)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (9)	168.04	+1.3	—	7.34	—	—	165.82	166.59	164.99	160.31	92.54	169.27 (7/3)	84.13 (6/1)	233.13 (2/7/72)	81.40 (10/12/74)
35	Hire Purchase (5)	96.70	+2.5	—	6.66	—	—	94.57	97.80	97.68	98.84	65.98	134.39 (10/3)	42.81 (6/1)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	126.01	+2.4	—	5.45	—	—	123.04	124.05	126.19	125.66	46.66	127.97 (25/4)	44.88 (2/1)	194.46 (15/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	113.06	+0.7	—	6.08	—	—	112.94	113.27	115.97	113.03	44.97	123.90 (20/5)	44.47 (2/1)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (9)	230.53	+2.4	9.06	3.79	16.56	16.56	225.03	226.15	227.58	227.15	81.96	230.53 (17/11)	68.96 (7/1)	262.57 (12/12/73)	65.86 (16/12/74)
39	Merchant Banks (19)	88.15	+1.9	—	5.80	—	—	86.49	86.90	87.66	87.63	49.96	94.97 (7/3)	31.21 (7/1)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (32)	152.56	+0.4	3.77	3.86	43.66	41.71	151.93	155.29	156.70	156.80	85.15	241.22 (22/4)	88.19 (7/1)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (4)	76.46	+0.9	13.11	6.52	12.19	12.04	75.80	76.62	77.63	77.46	39.31	78.12 (6/11)	34.78 (10/1)	305.18 (18/5/72)	33.29 (17/12/74)
42	Investment Trusts (50)	173.54	+2.0	2.86	4.07	34.99	34.97	171.86	171.63	171.38	170.19	83.68	178.53 (6/6)	73.43 (6/1)	245.79 (28/4/72)	71.65 (13/12/74)
43	ALL-SHARE INDEX (650)	158.98	+1.9	—	5.41	—	—	155.99	156.62	158.65	157.67	69.98	158.98 (17/11)	62.16 (6/1)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (*Not included in 500 or All-Share indices*)															
44	Rubbers (8)	399.28	+0.3	16.18	8.40	9.44	9.41	398.22	399.59	398.96	395.14	304.09	525.43 (23/6)	281.66 (2/1)	555.37 (23/7/73)	84.68 (25/6/65)
45	Teas (10)	119.77	−0.3	34.23	6.72	4.21	4.06	120.15	120.53	124.31	124.57	76.33	124.57 (11/11)	76.76 (10/1)	124.57 (11/11/75)	59.72 (17/10/74)
46	Coppers (3)	253.37	−10.8	47.69	6.78	2.10	2.10	284.18	285.68	286.09	286.09	367.32	467.74 (27/5)	253.37 (17/11)	567.78 (13/7/73)	94.08 (29/4/62)
47	Mining Finance (11)	112.38	−1.2	10.57	4.65	10.58	10.58	113.63	113.76	114.08	114.59	98.67	141.34 (30/5)	80.58 (22/1)	175.90 (28/4/69)	66.31 (30/9/74)
48	Tins (8)	91.80	−0.1	12.04	9.76	10.86	9.71	91.86	92.26	92.93	93.25	60.27	114.49 (3/6)	58.91 (6/1)	125.45 (12/1/73)	54.83 (27/6/71)
49	Overseas Traders (13)	226.51	+2.8	14.88	4.44	8.60	8.59	220.36	218.38	214.89	217.81	—	252.23 (20/5)	97.37 (6/1)	252.23 (20/5/75)	97.37 (6/1/75)

	FIXED INTEREST	Monday, Nov. 17 Index No.	Yield %	Friday Nov. 14	Thurs. Nov. 13	Wed. Nov. 12	Tuesday Nov. 11	Mon. Nov. 10	Friday Nov. 7	Thurs. Nov. 6	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.74	14.72	14.72	14.71	14.61	14.81	14.90	14.81	16.86	—	—	—	—
2	20-yr. Govt. Stocks (6)	46.70	13.89	46.75	46.81	46.83	46.75	46.77	46.54	46.59	41.26	53.09 (20/3)	38.27 (3/1)	115.42 (11/8/63)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	46.02	15.88	46.22	45.85	45.81	45.74	45.74	45.73	45.67	37.93	50.68 (21/3)	37.01 (3/1)	113.43 (23/10/63)	37.01 (3/1/75)
4	Investment Trust Prefs. (15)	46.94	14.74	47.20	47.16	47.21	47.21	47.28	47.28	47.28	35.52	47.30 (29/7)	35.35 (6/1)	114.41 (13/8/63)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	64.57	14.61	64.36	64.36	64.45	63.91	64.17	63.88	63.86	50.43	68.02 (6/8)	48.35 (6/1)	114.95 (7/10/63)	47.67 (8/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Miscellaneous Financial	31/12/70	128.06
Engineering (Heavy)	31/12/71	153.84	Food Manufacturing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Wines and Spirits	16/1/70	104.76	Insurance Brokers	29/12/67	96.67
Toys and Games	16/1/70	135.72	Mining Finance	29/12/67	100.00
Office Equipment	16/1/70	162.74	All Other	10/4/62	100.00
Industrial Group	31/12/70	128.20			

‡ Redemption yield. FT-Actuaries Indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 16p. Commonwealth 18p. Foreign 22p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
ICI	£1	20	320	+ 7	320	118
Lonrho	25p	16	124	+ 9	159	68
B. Wiggins 'New'	Nil/pd.	14	26*	—	27*	20*
Shell Transport	25p	14	356	+ 8	388	118
BP	£1	13	590	+ 7	598	190
Barclays Bank	£1	12	315	+ 7	325	112
"Bats"	25p	12	335	+10	338	164
Lucas Inds.	£1	12	177xd	+ 9	177	37
Metal Box	£1	12	268	+ 9	280	109½
Debenhams 'New'	Nil/pd.	11	30*	+ 3	31½*	24*
Distillers	50p	11	127	+ 3½	150	65½
P & O Defd.	£1	11	112	+ 4	128	59½
Redland	25p	11	104	+ 8	104	29½
Assoc. Eng.	25p	10	79	+ 4½	79	17½
Coats Patons	25p	10	63½	+ 4	63½	22½

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e)

* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov. 11	Nov. 24	Feb. 5	Feb. 17
Nov. 25	Dec. 8	Feb. 19	Mar. 2
Dec. 9	Dec. 22	Mar. 4	Mar. 16

"Calls" were done in Francis Parker, Dunlop, Lonrho, National Westminster Bank Warrants, Westinghouse Brake, Dufay, Charterhall Finance, EMI, Ladbroke, Amalgamated Investment, MEPC, E. Bates, Cons. Gold Fields and Dunford and Elliott. No "puts" were reported, while a "double" was arranged in Grindlays.

Industrials		Grand Met.	7	Slater Walker	9		
		G.U.S. 'A'	17	Spillers	5	Mines	
A. P. Cement	15	Guardian	20	Tesco	6	Anglo Amer.	50
Assoc. Leisure	5	G.K.N.	22	Thorn "A"	17	Broken Hill Pty	75
Barclays Bank	25	Hawker Sidd.	27	Tube Invest.	24	Charter Cons.	22
Beecham	28	House of Fraser	8	Unilever	35	Chart'rh'll Fin.	10
Boots Drug	12	Hudson('Wilms)	4	Utd. Drapery	10	Cons Gold	22
Bowaters	16	I.C.I.	21	Vickers	15	De Beers Def.	35
B.A.T.	50	"Imps"	7	Woolworths	6	F.S. Geduld	550
British Leyland	7	I.C.L.	7			Great Boulder	12
BOC Int.	5½	Inveresk	7	Property		Hampton Areas	15
Burton 'A'	9	Legal & General	13	Cap. Counties	4½	Hampton Prop.	4
Cadburys	6	Lloyds Bank	22	E.P.	8	Kloof	140
Courtaulds	12	"Lofs"	6	Int. Europe	6	Lonrho	13
Debenhams	8	"Mams"	6	Land Securities	18	Loraine	36
Distillers	13	Marks & Sp'ncer	11	Peachey	6	Metals Explor.	8
Dunlop	5½	Midland Bank	25	Town & City	4½	Poseidon	55
Eagle Star	13	Nat'l West Bank	22	Town & Comm.	4	Pres. Steyn	27½
E.M.I.	17	P & O Dfd.	10			Rio T.Zinc	20
First National	2	Plessey	8	Oils		Welkom	55
G.R.A. Trust	4	R.H.M.	6	Brit. Petroleum	46	West Areas	75
Gen. Accident	16	Rank Org. 'A'	17	Burmah Oil	5	Western M'ng	18
Gen. Electric	13	Reed Int'l	25	Shell	30	Zambian Copp.	10
Glaxo	40			Ultramar	21		

NEW HIGHS AND LOWS FOR 1975

Too numerous to name individually, the 230 new 1975 highs recorded among securities listed in the Share Information Service yesterday are given below in their sub-sections. There were 13 new lows.

NEW HIGHS 230

BRITISH FUNDS (7)
FOREIGN BONDS (1)
AMERICANS (5)
CANADIANS (2)
BANKS (7)
BEERS (2)
BUILDINGS (18)
CHEMICALS (10)
CINEMAS (3)
DRAPERY & STORES (8)
ELECTRICALS (12)
ENGINEERING (35)
FOODS (5)
HOTELS (2)
INDUSTRIALS (41)
INSURANCE (4)
MOTORS (16)
NEWSPAPERS (1)
PAPER & PRINTING (4)
PROPERTY (1)
SHIPPING (1)
SHOES (2)
TEXTILES (2)
TOBACCOS (2)
TRUSTS (30)
OILS (7)
OVERSEAS TRADERS (1)

NEW LOWS 13

AMERICANS (1)

Chase Manhattan

PROPERTY (1)

MEPC

MINES (11)

Durban Deep	Kloof Gold
West Rand	Harmony
Leslie	Loraine
S.A. Land	Pres. Steyn
Deelkraal	Roan Cons.
Elsburg	

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	16	7	32
Corpns. Dom. and Foreign Bonds	6	3	62
Industrials	693	183	855
Financial and Prop.	265	54	298
Oils	12	3	17
Plantations	7	1	39
Mines	12	78	63
Recent Issues	10	4	25
Totals	1,021	333	1,392

BASE LENDING RATES

AFI International	11
Allied Irish Banks Ltd.	11
Anglo-Portuguese Bank	11
Henry Ansbacher	11
Banco de Bilbao	11
Banco de Jerez	11
Bank of Cyprus	11
Bank of N.S.W.	11
Banque du Rhone S.A.	11
Barclays Bank	11
Barnett, Christie Ltd.	12
Bremar Holdings Ltd.	12
Brit. Bank of Mid. East	11
■ Brown Shipley	11
Cayzer, Bowater Co. Ltd.	11
Cedar Holdings	11
■ Charterhouse Japhet	11
C. E. Coates	11
Consolidated Credits	12
Co-operative Bank	*11
Copleys Bank	12
Corinthian Securities	11
Credit Lyonnais	11
G. R. Dawes	12
Duboff Brothers	12
Duncan Lawrie	11
English Transcont.	12
First London Secs.	11
■ Antony Gibbs	11
Goode Durrant Trust	11
Greyhound Guaranty	11
Grindlays Bank	11
■ Guinness Mahon	11
■ Hambros Bank	11
Hawtin & Partners	13
■ Hill Samuel	§11
C. Hoare & Co.	†11
Julian S. Hodge	12
Industrial Bank of Scot.	11
Keyser Ullmann	11
Knowsley & Co. Ltd.	12
Lloyds Bank	11
London & European	11
London Mercantile	11
Midland Bank	11
■ Samuel Montagu	11
■ Morgan Grenfell	11
National Westminster	11
Northern Comm. Trust	11
Norwich General Trust	11
Portman Guaranty	11
P. S. Refson & Co.	11
Rossminster Accept'cs	11
Royal Trust of Canada	12
Schlesinger Limited	11
E. S. Schwab	12
Security Trust Co. Ltd.	12
Shenley Trust	12
Standard Chartered	11
Sterling Credit	12
Thames Guaranty	11
Trade Development Bk.	11
Twentieth Century Bk.	12
United Bank of Kuwait	11
Whiteaway Laidlaw	11
Williams and Glyn's	11
Yorkshire Bank	11

■ Members of the Accepting Ho Committee.

* 7-day deposits 7%, 1-month de 7½%.

† 7-day deposits on sums of £10,000 under 7%, up to £25,000 7½% over £25,000 8¼%.

§ Demand deposit 8¼%.

CORAL INDEX

Close 371-376
373-378NT

I.G. INDEX

GOLD 141-144

INSURANCE BAS RATES

† Atlantic Assurance ... 12
Cannon Assurance ... 9

† Address shown under Insurance Property Bond table.

MONEY MARKET

Exceptional assistance

Bank of England Minimum Lending Rate 11½ per cent. (since November 14, 1975)

Day-to-day credit was in very short supply in the London money market yesterday and the authorities assisted by buying an exceptionally large amount of Treasury bills. The market was faced with run down bank balances from Friday, a net take-up of Treasury bills, and an increase in the note circulation. Revenue payments to the Exchequer were in excess of Government disbursements, and there was a small amount of gilt-edged sales.

Discount houses paid between 11¾ per cent. and 12 per cent. for secured call loans in the early part. Rates eased towards the close and finished in the region of 11-11¾ per cent. In the interbank market overnight loans began at 11½-11¾ per cent. and rose during the day to 11¾-12 per cent. By the close however, rates had eased back to around 11-11¼ per cent.

Short-term fixed period interest rates were slightly firmer, with the one-month sterling certificate yield rising to 11½-11⅝ per cent. from 11⅜-11½ per cent., and the one-year 11⅞-11¾ per cent. against 11¾-11⅞ per cent.

Rates in the table below are nominal in some cases.

Nov. 17 1975	Sterling Certificates of deposits	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance House deposits	Company deposits	Discount market deposits	Treasury bills ‡	Bank bills ‡	Fine trade bills ‡
Overnight	—	11-12	—	—	—	11¼-13½	11-12	—	—	—
2 days notice	—	—	11½-11⅝	—	—	—	—	—	—	—
†7 days or 7 days notice	—	11½-11⅝	11½-11¾	—	—	—	11¼-11¾	—	—	—
One month	11½-11⅝	11⁹⁄₁₆-11¹¹⁄₁₆	11½	11¾-11	11¼-12⅜	—	11⅛	11⅛-11⁵⁄₃₂	11⅜-11¼	11½-11⅝
Two months	11⅝-11¾	11⁹⁄₁₆-11¹¹⁄₁₆	—	11½-11	11¼ 11½	—	11	11⅛-11⁵⁄₃₂	11⅜-11⅛	11½-11⅝
Three months	11⅝-11¾	11⅝-11	11⅝-11½	11½-11	11¼ 12½	—	10⅞-11	11⅛-11⁵⁄₃₂	11⅜-11⅛	11⅝-11⅞
Six months	11⅝-11¾	11⅝-11⅞	11½-11⅝	11½-11	11¼ 12½	—	—	—	11¼-11⅛	12
Nine months	11½-11⅝	11⅝ 12⅛	—	11⅝-11⅜	11½-12½	—	—	—	—	—
One year	11⅞-11⅝	11⅝-12⅛	12⅛-12¼	11¾ 11¼	11½-12⅝	—	—	—	—	—
Two years	—	11⅞-12⅛	12⅝-12⅞	12¼-11¾	—	—	—	—	—	—

† Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rate nominally three years 12¼-12⅜ per cent.; four years 13¼ per cent.; five years 14 per cent. ‡ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11⅝-11¾ per cent.; and four-month trade bills 12¼-11¾ per cent. Approximate selling rates for one-month Treasury bills 11-10¹⁵⁄₁₆ per cent.; two-month 11¹⁄₃₂-11 per cent.; three-month 11¹⁄₁₆-11¹⁄₃₂ per cent. Approximate selling rates for one-month Bank bills 11⅛-11³⁄₁₆ per cent.; two-month 11¹⁄₁₆ per cent.; and three-month 11¹⁄₁₆ per cent.; for one-month trade bills 11½ per cent.; two-month 11⁵⁄₃₂ per cent.; and three-month 11⁵⁄₃₂ per cent.

Finance House Base Rate (published by the Finance Houses Association) 11½ per cent. from November 1. Clearing Bank *Deposit Rates* for small sums at seven days' notice 7 per cent. Clearing Bank Rate for lending 11 per cent. Treasury Bills: Average tender rates of discount 11.0884 per cent.

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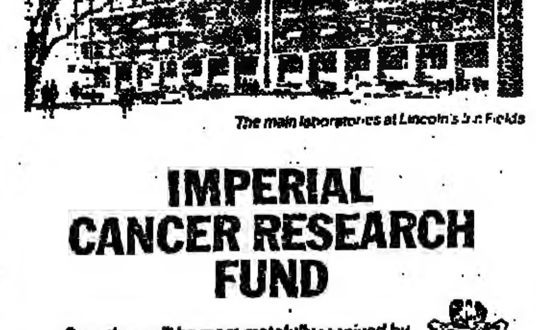

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BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

1975 Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
5	Dentique 5p	8¾	......	0.49	2.4	9.2	6.9
20	Johns'n & B.12½p	33	+2	1.56	ϕ	7.6	ϕ
20	Johnson Clnrs.	36	+1	†2.18	1.7	9.3	9.5
120	Johnson Mth. £1	298	......	10.23	4.9	5.3	5.9
18	Judge Int.	31	+1	†1.85	3.7	9.2	4.6
14½	Kalamazoo 10p	18½	......	1.57	1.4	13.1	8.4
20	Kelsey Ind. 12½p.	47	......	2.47	4.7	8.1	4.1
9	Kennedy Sm. 10p.	12	+1	1.38	1.9	17.8	4.7
325	Kershaw (A.) 5p	687½	+100	12.01	0.7	2.7	116.3
66	Kleeman	215	......	†3.89	5.0	2.8	11.1
15	Kode Int.	28xd	–½	†1.23	3.5	6.8	6.5
24	L.C.P. Hlds.	65	......	ϕ†3.9	2.5	9.2	8.9
11	L.K. Ind. Inv.	19xd	......	†d1.96	1.8	15.9	5.3
13½	L.R.C. Int. 10p	36	+3	2.0	0.8	8.5	21.6
56	Lamson Inds.	81	+1	2.74	2.5	5.2	11.0
26	Lawtex	27	......	2.58	2.0	14.7	4.6
48	Lead Inds. 50p	116	+1	†4.69	3.9	6.2	6.4
24	Leadenhall Stg.	52	......	3.05	2.4	8.1	5.3
17	Le Bas (Ed.)	49	+2	†1.36	8.5	4.3	4.2
15	Lebof Fobel 10p.	39	......	†1.48	4.2	5.9	11.0
19	Lebus Harris	34	......	2.0	0.2	9.0	—
12	Leigh (L.) 5p	26	......	0.73	5.8	4.4	6.1
35	Leisure Car. 10p	75	......	4.42	1.7	9.1	10.2
59	Lep Group 10p	130	......	2.54	7.7	3.1	5.8
12	Lesney Prods. 5p.	40	+2	g0.84	7.6	3.2	5.6
13	Letraset 10p	49	+3	s1.28	3.3	3.9	11.2
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

1975 High	1975 Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
13	8	Wood (W.) 10p	9	–½	†0.67	—	[illegible]	—
99	29	Wood Hall	93xd	+1	3.94	ϕ	6.7	ϕ
7¼	4	Yatton Furn. 5p	6½	......	ϕ0.34	2.3	8.1	[illegible]
27½	14	Zetters 5p	22	......	0.95	4.6	5.6	[illegible]

††INSURANCE

1975 High	1975 Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
73	30	Brentnall Bd. 10p	72	+2	†2.92	3.0	6.2	[illegible]
158	60	Britannic 5p	158	+2	7.0	—	6.8	—
970	440	Comb. Ins. Am.$1	800	–10	Q65c	—	4.0	—
194	72	Comm. Union	138½	–1½	6.77	—	7.5	—
148	44	Eagle Star	136xd	+4½	g4.99	—	5.6	—
£113	£100	Emlia CK 9% Cnv.	£109	–3½	Q9%	—	f8.6	—
192	50	Equity & Law 5p.	192	+2	5.1	—	4.1	—
174	67	Gen. Accident	166	+3	†5.4	—	5.0	—
224	83	Guardian Royal	207	+1	†7.75	—	5.8	—
233	54	Hallford Sh'd 10p	225	+9	†5.44	3.0	3.5	[illegible]
285	82	Heath (C.E.) 20p	282	+17	6.1	3.3	3.3	[illegible]
184	47	Hogg Robinson	184	+6	4.03	3.7	3.4	[illegible]
150	30	Howden (A.) 10p	142	–1	g2.35	4.6	2.6	[illegible]
145	43½	Legal & Gen. 5p	145	+4	†4.36	—	4.6	—
125	33	Les. & Gdwn. 10p.	109	+2	3.39	2.3	4.8	[illegible]
143	48	Lon. & Man. 5p.	138	+2	†4.35	—	5.2	—
178	63	Matthew Wr. 20p	172	+2	†7.39	1.5	6.6	[illegible]
121	38	Minet Hldgs. 20p	121xr	+6	†1.4	3.9	1.8	[illegible]
240	93½	Pearl 5p	238	+4	9.6	—	6.2	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Trusts, Finance, Land, etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

1975 High	1975 Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
112	52	Botswana RST P2	54	–2	—	—	—
390	196	Messina R0.50	290	–10	Q95c	ϕ	6.0

MISCELLANEOUS

1975 High	1975 Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
8½	3	Burma Mine 17½p	8	......	m0.5	—	1.7
65	17	Chaterball 5p	41½	+1½	—	—	—
115	40	Colby Mines $1	60	–10	—	—	—
810	360	Cons. Murch. 10c	740	–70	‡Q130c	2.2	‡
53½	29½	Laurasia	42	......	—	—	—
375	200	Northgate C$1	240	......	†Q25c	1.0	5.8
211	80	R.T.Z.	165xd	+6½	g5.51	4.4	4.6
135	47½	Sabina Inds. C$1	96	–2	—	—	—
81	45	Stanford Mines‖	53	+8	—	—	—
£12½	874	Tara Exptn. $1	£10½	......	—	—	—
78	38	Yukon Cons. C$1	70	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ◊ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- ¶ Price at time of suspension.
- § Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- •• Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 27

FINANCIAL TIMES

Tuesday November 18 1975

Fall in economic activity slackens

BY MICHAEL BLANDEN

THE RECESSION in the U.K. deepened further in the third quarter of the year, but the drop in the level of economic activity slowed down considerably, according to the latest figures of gross domestic product.

The level of retail sales has also remained roughly level over the past five months after the sharp drop earlier this year. The latest indicators could, therefore, support recent arguments that the U.K. economy may be heading for recovery fairly soon.

Reports from the Rambouillet economic summit have indicated that the latest Treasury predictions foresee a pick-up in the U.K. GDP in the first half of next year, and possibly as early as the first quarter.

It is known that the U.K., along with other leading member countries, is unhappy with the more pessimistic unofficial forecasts circulated in the Organisation for Economic Co-operation and Development. These have suggested a drop of 0.2 per cent. in gross national product during next year as a whole compared with the U.K. expectation of a real increase of some 2.4 per cent.

The OECD economic policy committee has the problem of reconciling these views when it meets in Paris to-day.

The view in London is that it is too early to judge whether the statistics so far available support the more optimistic views of the U.K. economy expressed recently by bodies such as the Confederation of British Industry and the Bank of England. Nevertheless, the third quarter GDP figures, in line with the recently published industrial output statistics, at least point to a significant slow-down in the drop in activity.

The preliminary estimate of GDP for the third quarter, based on output data, is 106.0 (at constant prices, with 1970=100 and seasonally adjusted). This represents a fall of less than 0.4 per cent. from the previous quarter, against a drop of nearly 2½ per cent. in the previous period.

GROSS DOMESTIC PRODUCT AT 1970 PRICES
(1970=100: Seasonally adjusted)

		Based on expenditure data	income data	output data	Average estimate
1974	Q1	107.2	103.8	107.7	106.2
	Q2	110.8	109.3	110.2	110.1
	Q3	113.1	111.8	111.2	112.0
	Q4	110.9	112.4	109.7	111.0
1975	Q1	111.2	109.3	109.4	110.0
	Q2	109.0	106.8	106.4	107.4
	Q3			106.0*	

* Preliminary estimate.

Weather

U.K. TO-DAY

COLD everywhere. Strong N. winds slowly decreasing. Wintry showers except in SW.

London, S.E., E., Cent. S., Cent. N. England, E. Anglia, E. Midlands
Sunny spells and showers; severe N. gales. Max 6C (43F).

W. Midlands, Channel I., S.W. England, S. and N. Wales
Mostly dry, sunny spells. Wind N., fresh. Max. 7C (45F).

Argyll, N.W. Scotland, N. Ireland
Cloudy, rain or drizzle. Wind N., moderating. Max. 5C (41F).

Outlook: Cold, showers in S.E. at first; otherwise rain spreading from W. and becoming milder.

Lighting-up: London 16.38, Manchester 16.39; Glasgow 16.37; Belfast 16.49.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Amsterdm	F	9	48	Madrid	S	9	45
Athens	F	21	70	Manchstr.	F	5	41
Bahrain	S	29	84	Melbourne	F	27	80
Barcelona	F	13	55	Mexico C.	S	19	66
Beirut	F	22	72	Milan	R	4	39
Belfast	R	5	41	Montreal	C	10	50
Belgrade	C	9	48	Munich	C	1	34
Berlin	F	8	47	Newcastle	R	5	41
Birmghm.	C	5	41	New York	S	12	54
Bristol	S	7	45	Oslo	C	2	36
Brussels	C	10	50	Paris	C	7	45
Budapest	R	2	36	Perth	C	18	64
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

HOLIDAY RESORTS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

A pointer to the end of the economic recession perhaps from Herr Helmut Schmidt, the West German Chancellor. His gesture holds the attention of President Gerald Ford and Mr. Harold Wilson and brings a smile from President Valery Giscard d'Estaing. The leaders were pictured yesterday before the final session of the Economic Summit at Rambouillet.

P.O. forecast of orders near 'worst case' levels

BY CHRISTOPHER LORENZ

THE POST OFFICE has given its suppliers of telephone exchange equipment a firm forecast of 1975/76 order levels which is almost as low as the theoretical "worst case" levels it outlined in September.

Forecasts for 1976/77 and the four-year period 1975/76 to 1979/80 have been revised to considerably above the "worst case" levels, but are still slightly below the last firm forecast, issued in June.

The four main telecommunications manufacturers have already announced, to loud union protests, that over 7,000 workers will have to be made redundant by next October. Now that the Government appears to have accepted that severe cuts in P.O. ordering are necessary, the suppliers are having to assess the impact on their labour requirements over the next four years.

Their only hope of relief is an 11th-hour change of heart by the Government, and they are still pressing for a meeting with Mr. Eric Varley, the Industry Secretary.

Some industry sources warned in September that cuts in orders on the scale envisaged by the P.O. could create up to 20,000 redundancies, though others put the figure at 15,000. Extensive further job reductions must now be expected, though not necessarily in the short term. The Government told Parliament last month that substantial redundancies were inevitable.

The P.O. has confirmed that it has now given its suppliers a new forecast for the next four years' orders, but it refuses to discuss the profile or give any figures.

This year's programme, however, is understood to be almost 40 per cent. below the level forecast in July 1974 and almost 12 per cent. below the profile issued in June.

Crucial

The programme for next year, which is especially crucial in its implications for medium-term labour levels, is almost 25 per cent. lower than the forecast made in July 1974 and almost 5 per cent. down on this June's forecast. It is about 10 per cent. above September's "worst case" warning.

No absolute levels have been revealed, but on the basis of previously published figures, the percentages imply just over £90m.-worth of orders this year and about £115m. in 1976/77 (in constant prices).

The four-year programme is put at 2 per cent. below this June's forecast, which still leaves it 10 per cent. up on the "worst case" figure.

As indicated in Parliament last month, orders for the two electro-mechanical exchange designs—Strowger and Crossbar, which are labour-intensive—will be the main beneficiaries from the increase of next year's programme above the "worst case" level.

The profile for electronic exchanges has not been reduced though. Over the four-year period it is now expected to be slightly higher than was forecast in June.

Exchanges are not the only item of equipment to be cut—their percentage reduction is roughly in line with the overall drop in PO ordering—but they account for two-thirds of the telecommunications industry's output, and it is in this sector that employment will be hardest hit by the cuts.

£6 rise for farm men 'will raise food prices'

By Lorelies Olslager

SOME 320,000 farm workers in England and Wales will receive the full £6 a week pay rise under the Government's counter-inflation policy as a result of a decision of the Agricultural Wages Board last night.

The National Farmers Union warned that this meant the price of domestically produced food would go up by 1½ per cent. Farmworkers leaders, however, said any effect on prices would be "miniscule." Farm prices were being determined in the annual U.K. review and in Brussels.

The pay rise, which will come into effect in January, is the biggest the farm workers have ever received. It means 20 per cent. more for men now on the minimum of £30 a week, and up to 50 per cent. for women—currently on £24 a week—because of the introduction of equal pay.

The unions, led by the National Union of Agricultural and Allied Workers, had asked for £9.50 a week to bring the minimum rate to £40 a week. But last night, Mr. Reg Bottini, general secretary of the union, said they realised that they had to stay within the pay policy.

The employers yesterday offered to pay the full £6 because, a statement said: "We do not believe it was right that our workers should be debarred from the general industrial settlements that have pertained."

But they warned that "the Government and the country must now be prepared to match up to the requirements of the industry arising from this demand." Mr. John Davies, chairman of the NFU's Employment and Education Committee, estimated that to cover the costs farmers would have to raise their prices by one and a half per cent.

The NFU estimates that the award will add £78m. a year to the agricultural wage bill. But as farmers were authorised yesterday to raise the rent of tied cottages from 50p a week to £1.50, the net cost should be £73m.

Government needs new kind of security, say brokers

BY ANTHONY HARRIS

ONE OF the leading brokers in Government stock, W. Greenwell and Co., argues in a circular published yesterday that the Government requires a new kind of security, carrying a variable interest rate, if it is to succeed in controlling the money supply and the growth of other forms of liquidity held by the private sector.

The brokers argue that the moderate figures for monetary growth published by the Bank of England yesterday are deceptive, since they take no account of the large recent purchases of Treasury bills by ordinary commercial investors. These bills can readily be cashed over a short period, and are thus a potential addition to the money supply.

Criticising the market tactics of the Bank of England, they argue further than sharp rises in interest rates, such as that imposed in October, actually discourage buyers of Government stock by imposing an "unacceptable" risk of capital loss every time it is necessary to tighten monetary policy. Even when no such action is taken, a rise in the money supply discourages investors because they fear that the authorities will be forced to act. The issue of fixed interest stock is therefore an inappropriate method of controlling the money supply in the short term, the brokers argue.

The issue of a long-dated stock carrying an interest rate giving a fixed margin over the Treasury bill rate would get round these problems, the brokers say. There would be little capital risk; and provided that the market was left free to determine the yield gap between Treasury bills and outstanding stock, the new issue would not unsettle the market for existing fixed-interest stocks.

The brokers emphasise the fact that a new financing instrument, which would help to mop up excess funds at present without unduly pressing on interest rates, would in no way reduce the need to get the public sector borrowing requirement under control in future.

Otherwise, they add, there is a danger that large public sector demands would "crowd out" private borrowers when they wished to come to the market for investment funds, and thus prevent a natural recovery in private activity in due course.

Public borrowing feature, Page 16

Beaverbrook men paid £73,500

BY MARGARET REID

TWO FORMER senior executive directors of Beaverbrook Newspapers, one of them a deputy chairman, received payments totalling £73,500 on their departure from the group, it is disclosed in the annual report and accounts.

The two are Mr. John Coote, who resigned in March, 1975, as a deputy chairman and managing director (commercial activities), and Mr. John Dawson, who resigned as deputy managing director in July 1974.

It is understood that of the total sum paid, the large part was received by Mr. Coote, the senior of the two directors.

In his annual statement, Sir Max Aitken, chairman of Beaverbrook, which publishes the Daily Express, Sunday Express and London Evening Standard, reveals that voluntary redundancy payments cost the group nearly £1m. in the year to June 30, 1975.

Further details, Page 28

Priest plans queries on Gold Fields mine labour

Financial Times Reporter

MONSIGNOR BRUCE KENT, a priest of the Westminster diocese plans to put three questions at the annual meeting of Consolidated Gold Fields, this morning. He will do so at the wish of the late Cardinal Heenan, who was concerned about holdings in the company by the Diocese of Westminster.

The questions will be about migrant African labour and pay and working conditions on Gold Fields mines.

A report by Christian Concern for South Africa, an ecumenical body, was encouraged by the Cardinal before his death. Published to-day, the report is critical of Gold Fields policies on several counts. This criticism is expected to back up the church questioning at to-day's meeting.

While African labour has marginally improved its absolute position, says the report, the great bulk of the benefits of the recent "extraordinary period of growth" have been "transferred to white beneficiaries—the white miners, the Government and, both directly and indirectly, the shareholders of Gold Fields of South Africa and CGF.

"The conclusion that emerges must therefore be that the company has failed to take up a unique opportunity to ameliorate substantially the immediate situation of its African labour force while simultaneously financing the transition away from migrant labour towards an increasingly skilled settled labour force."

Consolidated Gold Fields Limited. A Review of Activities and Issues. By Rodney Stares, MA. CCSA. 1, Cambridge Terrace, Regent's Park, W.1.

Society To-day, Page 25

Continued from Page 1

U.S.-French exchange rate pact

York and formerly a strong believer in freer floating.

In reaction to exaggerated interpretations of the degree to which the U.S. has moved from its long-term position, Mr. William Simon stressed to-day: "No agreement of any kind has been reached on a fixed exchange system or controls."

One issue on which there were distinct signs of disagreement after the summit was the vexed question of the U.K.'s application for a separate seat at next month's world energy and economic conference in Paris.

Mr. James Callaghan, the U.K. Foreign Secretary, confirmed to-day the report that the developing countries (through the so-called Group of 77 in the UN Commission on Trade and Development) had asked for three more seats at the conference and would have no objection to the offer of one more seat to an industrialised nation.

British [illegible] chance of attending the conference in its own right—because of its special energy situation—and not as part of the EEC.

The French have been in the chair at the preparatory meetings for the conference, though, and President Giscard said to-day they had no knowledge of this demand by the Group of 77.

He suggested it was "very improbable" that there had been such a request and indicated that France continued to adhere to the original agreement that the number of participants should not exceed 27.

In the final declaration, the Heads of Government say their most urgent task is "to reduce the waste of human resources involved in unemployment." They stress that, "in consolidating the recovery, it is essential to avoid unleashing additional inflationary forces which would threaten its success. The objective must be growth that is [illegible] and lasting."

In this context, Mr. Wilson said at his Press conference here that he had found President Ford's news on the U.S. economy "extremely encouraging." The U.K. had insisted that, if there was any faltering in the recovery there must be very quick action by what he termed "the casual countries," such as the U.S. and West Germany.

The Prime Minister said that, although no decision had been taken on a follow-up to the summit, it was generally understood that further meetings of the Rambouillet kind would be held if called for by the world economic situation.

National determination to fight inflation "must now be our main guarantee against the development of an even worse unemployment crisis for each of us," Mr. Wilson added.

The declaration stresses the participants' belief in "an open trading system" and calls for an acceleration of the timetable for multilateral trade negotiations.

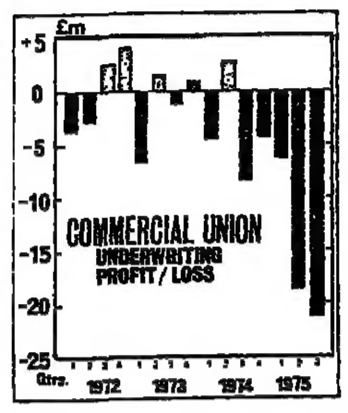
THE LEX COLUMN

Worsening trend at CU

The news from Commercial Union grows steadily worse with little hope of much recovery before the middle of next year. The underwriting deficit has increased from £18.3m. to £21.4m. between the second and third quarters, so there has actually been a pre-tax loss of £700,000 for this period, with nine-month profits £19.5m. lower at £13.7m. pre-tax. Consequently, the dividend which CU said yesterday would be maintained, at a cost of £20.5m., is likely to be only partly covered. The shares have been the weakest of the composites since the interim in August and fell 11½p to 138½p last night. But there was almost no impact on the rest of the sector as CU's problems, especially in the U.S. and Australia, are regarded as exceptional and are in contrast to the general upturn in the underwriting cycle.

In the U.S., the group has so far lost $62m., against $21m., on underwriting. Earlier action on general liability lines, for example, have made little impact with losses here equivalent to 60 cents out of each dollar of premium income. In motor, rate increases are still sticky and in the key state of Massachusetts, the battle with the authorities has not been resolved. The message yesterday was again that drastic action is being taken—apparently involving cutbacks both in exposure and the agency network. Elsewhere, there are no new horrors in Australia, but still caution about the extent of any recovery, while there has been some deterioration on the Continent and "satisfactory" profits in the U.K. Overall though, the shares seem certain to be weak until the hopes are at last translated into an improving underwriting trend.

Index rose 9.9 to 375.5



AB Foods

Associated British Foods is 37 per cent. ahead for the six months to September at £25.6m. pre-tax. The pace is slowing in the current half but profits look capable of reaching, say, £59m. overall, and that would take cover for an increased dividend up to nearly 4½ times. At home, retailing (Fine Fare) is moving well and bread is out of the red with profits of £2m. against losses of £½m. for the whole of last year. South Africa continues to push forward, Australia is recovering and the overseas profits ratio has edged back up to around 47 per cent.

The U.K. has produced almost two-thirds of the profits rise to date; and here ABF could have problems in its final quarter. Bakery wages go up next month, and by the end of the financial year the present low priced wheat stocks will have been largely worked out. But the recent ½p a loaf price cut does give the group some margin flexibility; while overseas the group has obvious cushions. Interest charges are falling: net borrowings at September—£20m. lower at £62m.—reflect seasonally low stocks ahead of the Christmas build up but the group balance sheet remains free of gearing pressures. At 69½p, the shares yield a prospective 3.8 per cent. having outperformed the market this year.

Floating gilts

The Bank of England, we know, hates the idea of index-linking, but the sale of traditional fixed coupon gilt-edged stock is being inhibited by the increasing risks carried by such paper; the banks, in particular, are fearful of investing their surplus liquidity in gilts because of the danger of capital losses. The intermediate solution proposed by the latest issue of W. Greenwell's Monetary Bulletin is that the Government should begin issuing variable coupon gilts. Such stocks would not protect holders against inflation, but would at least provide protection against future rises in interest rates (though there would still be exposure to changes in the *shape* of the yield curve). The Govern[ment] after all, has already [...] floating rate debt to [...] creditors.

Metal Box

The interim statement [...] Metal Box points to prof[its for] 1975-76 lower by aro[und a] quarter at £28m. pre-tax[...] would reduce cover fo[r the] forecast dividend to som[ething] like 1¼ times (on average [capi]tal) and cut net cash flow to just short of this year's capital expenditure.

But the shares manag[ed to] rise 9p to 268p yesterday [hav]ing shed 11p in two da[ys to] the end of last week. [...] all, MB is talking about [...] close to maintained [in the] current half with de-stock[ing in] the U.K. seemingly over [and] reduced losses overseas. [At] home the hot summer meant a bumper drinks [...] but poor demand from [vege]tables (notably peas foll[owing] a bad crop). After de[...] through to September [...] month showed a volume g[...] the U.K.; and losses in [...] and Italy—which cost £[...] the six months—have now [...] either reversed or [...] Earnings progress next ye[ar] [...] be sluggish at best, bu[t the] shares yield a forecast 7[...] cent.

House of Fraser

House of Fraser [...] how life has become tougher for department [stores] since the spring: its p[re-tax] profits were £330,000 up [in the] first quarter, £170,000 ab[ove at] the half-year, but are £350,000 down at £[...] tax for the nine months [to the] end of October. The [third] quarter had to absorb [the] initial impact of a 23 per [cent.] wage increase in July an[d the] rate of sales growth also [...] sharply to 17 per cent. [The] trading pattern has v[aried] regionally with the North [of] England stores the str[ongest] performers, while Harrod[s] also benefitted this year [from] more tourists. Sales in [...] weeks have been over [...] higher than a year ago, a[nd the] group is optimistic about [pick]ing back in the final qu[arter] for a full-year total up [...] not better, than last [...] £19.6m. The market is sceptical, however, since [the] shares are now nearly [...] below their 1975 high [...] where the yield is 7.1 per [cent.]

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